DOCUMENT RESUME

ED 193 491 CE 026 900

AUTHOR	Barocci, Thomas A.; And Others
TITLE	The Implementation of CETA in Eastern Massachusetts and Boston. R & D Monograph 57.
INSTITUTION	Massachusetts Inst. of Tech., Cambridge.; Northeastern Univ., Boston, Mass.
SPONS AGENCY	Employment and Training Administration (DOL), Washington, D.C.
PUB DATE	78
GRANT	DOL-21-25-74-33; DOL-42-25-74-08
NOTE	222p.
AVAILABLE FROM	Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 (Stock No. 029-000-00311-4).
EDRS PRICE	MF01/PC09 Plus Postage.
DESCRIPTORS	Career Education; Case Studies; *Employment Programs; Federal Legislation; *Federal Programs; Job Training; Policy Formation; Program Administration; Program Development; *Program Effectiveness; Program Evaluation; *Program Implementation; Public Service Occupations
IDENTIFIERS	*Comprehensive Employment and Training Act; Massachusetts (Boston); *Massachusetts (East)

ABSTRACT

This monograph includes two reports describing the results of three years of field research on the implementation and impact of the Comprehensive Employment and Training Act (CETA) in Eastern Massachusetts. They represent a thorough and detailed study of the problems faced by prime sponsors in the initial years of CETA. The first report, CETA in Eastern Massachusetts, covers Cambridge, Lowell, New Bedford, and the Massachusetts balance of state prime sponsors. Chapter 1 concerns CETA in general and in Massachusetts; Chapter 2 gives the methodology of the study. Chapter 3 discusses the administration of CETA with emphasis on the organizational factors. Chapter 4 deals with the generalizations and lessons learned on the process of implementation of CETA. Chapter 5 presents numerical and qualitative impact and client information gathered from pre-CETA records and post-CETA performance and monitoring information. Chapter 6 summarizes in detail findings and recommendations emerging from the entire study. The second report, The Implementation of CETA in Boston, 1974-77, is a case study of the introduction of CETA in Boston. Following an introductory chapter, Chapter 2 discusses the transition period--the decentralization and decategorization of employment and training programs. Chapter 3 focuses on CETA functioning in Boston through community-based agencies, including changes, new programs, and problems with funds. Public Service Employment is the focus of Chapter 4. Chapters 5 and 6 summarize findings and conclusions and list recommendations based on observations in Boston. (YLB)

ED193491

The Implementation of CETA In Eastern Massachusetts and Boston

R & D Monograph 57

U.S. Department of Labor
Ray Marshall, Secretary

Employment and Training Administration
Ernest G. Green
Assistant Secretary for Employment and Training
1978

This report was prepared for the Employment and Training Administration, U.S. Department of Labor, under research and development grants Nos. 42-25-74-08 and 21-25-74-33. Part I was prepared by Thomas A. Barocci and Charles A. Myers of the Industrial Relations Section, Alfred P. Sloan School of Management, Massachusetts Institute of Technology. Part II was prepared by Irwin L. Herrnstadt, Morris A. Horowitz, and Marlene B. Seltzer of the Department of Economics, Northeastern University. Because contractors conducting research and development projects under Government sponsorship are encouraged to express their own judgment freely, this report does not necessarily represent the official opinion or policy of the Department of Labor. The authors are solely responsible for the contents of this report.

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

CE 026 900

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

Stock No. 029-000-00311-4

NOV 3 1980

The Office of Research and Development of the Office of Policy, Evaluation and Research, Employment and Training Administration, U.S. Department of Labor, was authorized first under the Manpower Development and Training Act (MDTA) of 1962, and then under the Comprehensive Employment and Training Act (CETA) of 1973, to conduct research, experimentation, and demonstration to solve social and economic problems relative to the employment and training of unemployed and underemployed workers. Research also includes national longitudinal surveys of age cohorts of the population at critical transition stages in working life which examine the labor market structures of these cohorts. Studies are conducted on labor market structures and operations, obstacles to employment, mobility, how individuals do job searches, and various problems that pertain particularly to disadvantaged persons. Experimental or demonstration projects may test a new technique of intervention, a different institutional arrangement for delivery, or innovative ways to combine resources.

Analyses of the results of the most significant of these studies, descriptions of process, handbooks of procedures, or other products designed specifically for planners, administrators, and operators in the CETA system are issued as monographs in a continuing series. Information concerning all projects in process or completed during the previous 3 years is contained in an annual catalog of activities, Research and Development Projects. This publication and those in the monograph series may be obtained, upon request, from:

Inquiries Unit
Employment and Training Administration
U.S. Department of Labor
Room 10225 Patrick Henry Building
601 D Street, N.W.
Washington, D. C. 20213

FOREWORD

This monograph includes two reports describing the results of 3 years of field research on the implementation and impact of CETA in Eastern Massachusetts.

The first report, "CETA in Eastern Massachusetts" (Part I), was prepared by the Industrial Relations Section of the Alfred P. Sloan School of Management at the Massachusetts Institute of Technology. It covers Cambridge, Lowell, New Bedford, and the Massachusetts balance-of-state prime sponsors.

The second report, "The Implementation of CETA in Boston, 1974-77" (Part II), was prepared by the Department of Economics at Northeastern University and concentrates on the CETA activities in Boston.

Both reports reflect a thorough and detailed study of the problems faced by prime sponsors in the initial years of CETA. The recommendations are often provocative and in several instances suggest legislative changes.

Observations and specific recommendations for improving prime sponsor activities are included for review and implementation.

HOWARD ROSEN
Director
Office of Research
and Development

ACKNOWLEDGMENTS

The study on "The Implementation of CETA in Boston, 1974-77" (Part II) owes its fruition to the accessibility and cooperation of the staff members of the Boston Manpower Administration, the city's "CETA" Office, and Region I; also to staff of the Employment and Training Administration, as well as representatives of the city's Community Action Agency, Action for Boston Community Development, Inc. (ABCD), and Boston's Opportunities Industrialization Center. Only candid discussions with members of miscellaneous varied organizations could have provided the facts and insights necessary to comprehend the implementation of CETA in Boston.

PREFACE

How has CETA worked in the cities and consortia--prime sponsors--of Eastern Massachusetts? The two reports that constitute this volume attempt to answer that question. The first report, covering Cambridge, Lowell, New Bedford, and the huge prime sponsor called "the balance of state" with headquarters in Boston, was made by two faculty members affiliated with the Industrial Relations Section at the Alfred P. Sloan School of Management at MIT, based on field studies by 13 graduate students over 3 years from September 1974 through June 1977.

The second report on CETA in the city of Boston, the largest urban prime sponsor in Massachusetts, was done over a 2-year period with research assistants by the authors of the report, two of whom are faculty members of the Department of Economics at Northeastern University in Boston. They had also completed earlier studies in Boston, and built their research (under a subcontract to MIT) on this foundation.

Both reports would not have been possible without the cooperation of numerous staff members of the prime sponsors studied, whose anonymity must be protected. Regional Department of Labor (Employment and Training Administration) staff and the State Manpower Services Council staff were also helpful. And without the support of the Office of Research and Development of the Employment and Training Administration in Washington in providing funds for the research, these studies could not have been made. We are particularly indebted to Dr. Howard Rosen, Director of ORD, and his associates, especially Richard F. McAllister.

Finally, readers will note that the authors of the two reports have organized them somewhat differently, as is appropriate for one study which covers a number of prime sponsors, and another which covers the city of Boston. The academic principle, as well as the caveat on the title page, puts full responsibility on the authors for the organization and writing of their respective reports, after all comments and suggestions for change have been considered.

Charles A. Myers
Director
Industrial Relations Section
Sloan School of Management
Massachusetts Institute of
Technology
Cambridge, Massachusetts

CONTENTS

	Page
PREFACE	vii
PART I: CETA IN EASTERN MASSACHUSETTS	xi
OVERVIEW	1
CHAPTER 1: CETA IN GENERAL AND IN MASSACHUSETTS	5
A. Principal Provisions of CETA	5
B. The Economy of Massachusetts	8
C. Profile of the Prime Sponsors Studied	10
CHAPTER 2: METHODOLOGY OF THE STUDY	19
A. Staffing and Research Questions	20
B. Feedback and Reporting Methods Used	22
C. Methodology and Organization of the Report	23
CHAPTER 3: THE ADMINISTRATION OF CETA	25
A. In the Prime Sponsors	25
B. The Regional Department of Labor (RDOL) and the Prime Sponsors	35
C. The Role of Elected Officials	42
D. Coordination of Employment and Training Programs	45
CHAPTER 4: THE PROCESSES OF CETA	49
A. Planning CETA	50
B. Labor Market Information and Utilization	65
CHAPTER 5: PROGRAMMATIC CHOICES WITHIN PRIME SPONSORS	71
A. Prime Sponsor Funding Formulas	71
B. Prime Sponsor Program Choices	77

Page

CHAPTER 6: PRIME SPONSOR PERFORMANCE AND CLIENTS . 85

A. Performance Indicators 85
B. The Participants in CETA Programs 89
C. Pre-CETA and Post-CETA Participants 93
D. Minority Perceptions of CETA in Boston . . 99

CHAPTER 7: SUMMARY AND RECOMMENDATIONS 101

PART II: THE IMPLEMENTATION OF CETA IN BOSTON, 1974-77 115

OVERVIEW 117

CHAPTER 1: INTRODUCTION 121

CHAPTER 2: THE TRANSITION PERIOD -- TITLE I 129

CHAPTER 3: CETA FUNCTIONING IN BOSTON 147

CHAPTER 4: PUBLIC SERVICE EMPLOYMENT 169

CHAPTER 5: SUMMARY AND CONCLUSIONS 197

CHAPTER 6: RECOMMENDATIONS 207

PART I: CETA IN EASTERN MASSACHUSETTS

OVERVIEW

Principal Findings and Conclusions (discussed more fully in Chapter VII).

1. This study reports on the results of three years of field research on the implementation and impact of CETA in Eastern Massachusetts, with comparisons with prior programs when data were available. Apart from the City of Boston, which was studied under a subcontract from MIT to Northeastern University (the subject of a separate report), the Prime Sponsors (or consortia) studied were: Cambridge, Lowell, New Bedford, and the Balance of State with 18 subgrantees, (including the Newton and Quincy areas which we also studied).

2. Comparisons with pre-CETA programs and also comparisons between Prime Sponsors over the three-year period were subject to external environmental factors, including the worsening state of the Massachusetts economy relative to the national economy, and the very high rates of unemployment in New Bedford and Lowell, especially, at the peak of the recession.

3. Administrative difficulties have occurred in most of the Prime Sponsors during the three-year period of study, although some problems have been worked out by the third year. One exception was Lowell, often mentioned as a model prime sponsor, in which the CETA director (active in the field since 1973) has had the respect of the city council, the manpower planning council, and the program operators from the first year of CETA.

4. There have been wide variations in the relationships between the Prime Sponsors and the Regional Office of the Department of Labor (Employment and Training Administration) with its field representatives. Most Prime Sponsors agreed on the necessity and appropriateness of the RDOL review of Title I plans, but considered anything further as invading what they considered as their areas of responsibility under CETA. Prime Sponsors also had problems with some field representatives.

5. The involvement of elected officials in planning and implementing training programs tended to be stronger in the smaller cities studied and less in the larger ones. However, with the increase in funds for Public Service Employment, the interest of elected officials increased as they saw an opportunity to get funds for maintenance of public services and

employment as city budgets were squeezed.

6. Coordination of other non-CETA employment and training programs with those funded under CETA has yet to come to fruition. Some do not share the same planning and service boundaries and have different submission dates for yearly plans.

7. The local manpower planning councils varied considerably in their usefulness and attendance records of members. Despite improvements after initial difficulties, these councils will not be very effective if the plan and policy reviews they make are not given much weight by the Prime Sponsor staff or governing boards. They often lack an independent staff person to assist them in their deliberations.

8. The CETA concept is to provide Prime Sponsors with wide programmatic latitude in adjusting their programs to best fit the needs in their areas, in their judgment. But the national funding formula handicaps the larger cities at the expense of suburban areas with lesser needs, as we saw in the two subgrantee areas, contrasted with Cambridge, Lowell, and New Bedford, and also with Boston (as reported in the Northeastern study). There were changes in the program mix over the three-year period, but not substantial ones. Those which did occur may have been the result of better administration and time to adjust, real or perceived changes in the labor market or in clients' needs, and changes in the funding mix.

9. Limitations of the short-term performance indicators used by the RDOL in its monitoring of Prime Sponsor performance include the "cost per placement" figure which makes no distinction between the Prime Sponsor which "creams" clients for training programs and the one which is serving the most disadvantaged. Data on client characteristics are better. These show that the Massachusetts Prime Sponsors studied had a greater concentration of "disadvantaged" than in the national figures for FY76, and that those with a higher percentage of minorities in the population are serving these groups in larger percentages compared with the national data.

10. Minority agency perceptions of CETA in Boston are somewhat ambivalent. Contracting with the Boston Manpower office is simpler than in the pre-CETA days, but the reduction of Title I funds has meant that these agencies scramble to maintain their share of a smaller pie. They feel that

the disadvantaged minority applicants lose out relative to better-trained unemployed whites in the public service employment jobs available under the larger funds in Titles II and VI. These conclusions grow out of a special study we did in Boston, apart from the main Boston study.

11. Separate statistical analyses of changes in hourly wages under pre-CETA programs with those under CETA show that the latter were greater percentagewise, enrolled a higher proportion of economically-disadvantaged persons, welfare recipients, unemployment insurance recipients, and low-income persons. A further analysis of disaggregated data for each period in Lowell and New Bedford (separately) showed that Lowell pre-CETA participants would have performed better in percentage wage gains under CETA programs, and that post-CETA participants would have fared worse under pre-CETA programs. The New Bedford analysis did not show such clear cut results, but did indicate that post-CETA participants would have taken a relative wage loss in the pre-CETA period.

Recommendations

1. The yearly rating of Prime Sponsors by the RDOL is often disputed by them, gets media publicity, and is not useful unless a Prime Sponsor can be de-designated. This would hurt CETA clients most.

2. The federal role in relation to the local Prime Sponsors needs to be clarified; it seems sometimes to be what the RDOL or its field representatives feel their responsibility should be. At the very least the "policing" and technical assistance roles should be functionally separated.

3. Field representatives need to be carefully selected and trained, since they are the most important link between the regional federal level and the local level in CETA. They have in some cases been part of the trouble rather than contributing to a solution of federal-local relationships.

4. Serious consideration should be given to the separation of PSE programs from the training programs funded under Titles I and II. Either the RDOL's might run the PSE programs directly, or maintain a hands-off revenue-sharing policy subject to some monitoring on broad objectives.

5. Attention should be given to consolidating or eliminating some of the paperwork required of Prime Sponsors. There is general agreement that

these requirements are excessive. Many of the reports required could be incorporated into the regular audit by the RDOL.

6. Definitions of target groups and "disadvantaged persons" should be clarified, as should measures of program accomplishments and placements. Limitations of the quantitative performance indicators used by the RDOL in the past to rate each Prime Sponsor indicate the importance of standardizing and simplifying these indicators. We applaud the effort by the RDOL in New England to develop a new set of indicators which may overcome these limitations.

7. In order to make the local Manpower Planning Councils more effective as advisory groups, they should have some Title I funds or other funds to hire their own staff and clerical help. RDOL training sessions should be provided for MPC members, with possible financial incentives for attending on their own time. An MPC report on the proposed FY plan might be required prior to submission of the plan by the Prime Sponsor to the RDOL.

8. Local labor market information should be collected for the use of present Prime Sponsors in their own geographical boundaries, particularly about employers and job openings in those areas.

9. The present funding formula which benefits the suburban areas of large cities, especially Boston, raises equity questions about meeting the greater needs of central-city disadvantaged poor and minorities. The perceptions of minority agencies in Boston reflect this concern. Standardized indexes of the "universe of need" and its component parts should be developed, with a view to different funding formulae.

10. Title I and Title II funds (including PSE funds in the latter) should be spent on programs exclusively for the disadvantaged. There is no good reason why expenditures should be less than 100 percent for the disadvantaged, as there are in some of the Prime Sponsors studied.

1. CETA IN GENERAL AND IN MASSACHUSETTS

When the Comprehensive Employment and Training Act (CETA) became law late in 1973, following compromises by the Congress and the Administration, a new approach to the delivery of manpower services was ushered in. Under the Manpower Development and Training Act of 1962 (MDTA), the U.S. Department of Labor established a number of categorical and centrally-administered programs for which contract applications from agencies in states, counties, and cities throughout the country were reviewed. Other federal agencies such as HEW, and OEO (Office of Economic Opportunity) made similar grants by contract. The "manpower programs" that emerged in the state and local governmental units tended to be whatever the contracts awarded had provided, not necessarily what these governments considered a well-rounded program to fit state and local needs.

A number of efforts were made to achieve local coordination of grants made to different agencies, especially through the development of the Cooperative Area Manpower Planning System (CAMPS). But there was also dissatisfaction in many cities, especially, with the categorical and centralized federal government administration of institutional, on-the-job (OJT), and other similar programs. At the same time, there was sentiment in the Congress to move toward a more comprehensive, decategorized and decentralized program. The Nixon administration was interested in manpower programs as a form of revenue sharing with states, counties, cities, and towns. CETA emerged out of these state and local pressures, on the one hand, and federal interests, on the other.

A. Principal Provisions of CETA

Only a brief summary as background for our findings is possible here. First, CETA does not eliminate all categorical, federally-administered programs. The Job Corps (established under MDTA) continues as a distinct national though reduced program; and separate federal programs are authorized for migrants, released offenders, youths, non-English speaking people, and American Indians. In the first-year's budget (1975), more than a third of the funds was spent on these various categorical programs. Also included in

these federal portions were the financing of the federal-state employment service, programs for research, experimental projects, evaluation, data collection, and overall management of the system. Further, certain programs which can be considered part of a comprehensive manpower policy were not included in CETA, but authorized by other legislation incorporated in other federal departmental budgets, such as vocational education and vocational rehabilitation (in HEW), economic development and public works projects (in Commerce), and others.

What is left for the state and local initiative which is considered the essence of CETA? To quote a Position Paper by the National Manpower Policy Task Force, The Comprehensive Employment and Training Act: Opportunities and Challenges (April 1974):

> "The new legislation must be put in perspective. Although the Act gives governors, mayors and county executives increased decision-making authority, the shared funds are only a piece of the nation's total manpower pie, and the federal finger (but not the heavy hand) remains."

In other words, the decentralized and decategorized part of CETA is what funds the elected officials in these decentralized government units now are given for planning, developing, and administering programs to fit their local manpower needs as they see them, with some "supervision" from the regional arms of the U.S. Department of Labor. Under these types of programs, funds are available under Title I for training of the institutional (classroom) and OJT variety. Title II provides additional funds for these programs, although these funds can also be used for public service employment programs. PSE programs were fairly small under MDTA, until the Emergency Employment Act was passed in 1971 for Washington to push out funds quickly to states and localities for "temporary" jobs in the public sector. An expanded program of public service employment, known as the Emergency Jobs and Unemployment Assistance Act of 1974, amended CETA by instituting a new Title VI (Emergency Jobs Program) to authorize initially $2.5 billion for FY 1975. These funds were made available to the states, counties, and cities with preferred applicants to include "unemployed persons who have exhausted unemployment insurance benefits, to unemployed persons who are not eligible for unemployment insurance benefits (except for persons lacking work

experience), and to unemployed persons who have been unemployed for fifteen weeks or more." PSE programs were subsequently expanded and eligibility criteria changed in FY 1977.

These standards contrasted with eligibility preference under Titles I and II, which emphasized hard-to-employ persons (frequently poor youths and minorities) with various labor market disadvantages requiring institutional skill training, on-the-job training, work experience, and subsidized private employment, as well as some public service employment. These standards were more restrictive than those for the new Title VI, which had more funds, got more publicity, and as we point out later, consumed the energies of the states, counties, and cities at the expense of attention to serving the really disadvantaged through programs authorized in Titles I and II. These were and are the central focus of the original concept of CETA.[1]

The responsibilities of the various governmental units involved in the funding, administration, and monitoring of CETA are somewhat vague in the law and in practice. Some would have preferred a system where CETA funds would have been distributed in the same manner as general revenue sharing, with little or no federal involvement beyond funding. Others favored continuing dominance of the federal agencies in the planning, review, and monitoring of CETA-type programs. Congress went half-way on these issues. It was willing to allow the state and local units of government wide leeway in planning and running of manpower programs, but it was not willing to give up the federal authority and responsibility, through regional offices of the original Manpower Administration (now Employment and Training Administration) of the U.S. Department of Labor. We refer to these regional offices subsequently with the acronym RDOL.

Against this background, we turn to consideration of the economy of Massachusetts, and then to a profile of the Prime Sponsors we studied in

---

[1]The FY 1976 "new" allocation formula for Title I funds was as follows: 50% of the total based on previous year's allocation; 37% based on the number of unemployed in each Prime Sponsor's area compared to the total unemployed in all (431 Prime Sponsor) areas; 12.5% based on the number of adults in low-income families in each Prime Sponsor area compared to the total unemployed in all areas; plus a bonus for consortia of a city and surrounding areas to constitute a Prime Sponsor. Daily Labor Report, November 5, 1975.

Eastern Massachusetts. In the latter review, we omit the city of Boston here, because under a subcontract, this is a separate report in this volume.

B. The Economy of Massachusetts

One of the most important determinants of the programmatic decisions made under the CETA program, as well as the success of CETA in facilitating client movement into productive and rewarding positions commensurate with their abilities, is the surrounding economic environment. Any social or economic development program must be evaluated and discussed in the appropriate environmental context. It is one thing to establish a successful OJT program in an area experiencing rapid and sustained job growth, and quite another in an area stagnant or declining in employment. It is for this reason that a brief discussion of the Massachusetts economy is included in this report. The economy of Massachusetts has been in difficult economic straits since 1970, suffering from both structural problems and bearing a disproportionate burden of the devastating recession which besieged the U.S. beginning in 1974.

The most important measures to cite in reference to the Massachusetts economy and CETA are those relating to the growth of jobs: the unemployment rate and the labor force participation rates within the state. The growth of jobs in the Massachusetts economy since 1965 has been almost exclusively in the service sector. That sector's share of employment grew from 27 percent of the total in 1947 to 40 percent in 1973 and the rate of relative change (compared with manufacturing) continues to increase. Manufacturing employment over the same period has declined from 46 percent to 30 percent of total employment. The implications of the growth of jobs in the service sector is not clear, although some trends have become apparent. First, the jobs in the service sector, on average, pay less and have less continuity in terms of full-year, full-time employment and career paths. Secondly, due in part to the relative instability and low pay, many of those entering the labor market or displaced from jobs in the manufacturing sector are not earning an income which allows a family to get along with one wage earner. Families with two or more persons officially in the labor force have increased dramatically in Massachusetts. Furthermore, the state has the

highest female labor force participation rate of any state in the country.

Unemployment rates in Massachusetts have remained high since the recession of 1970-71, but by 1977 have at least come parallel with the national rate. However, over the crucial period of CETA implementation (early 1975) Massachusetts was experiencing 12 percent unemployment, almost 4 points higher than the national rate. The causes of high unemployment in Massachusetts are difficult to catalogue but a brief exposition will be helpful.

Apart from the United Kingdom, Massachusetts (and New England in general) is the oldest industrial economy in the West. As such the factories and related facilities possess older capital which is both less productive and more difficult to bring up to safety and health standards mandated by a variety of laws. The costs of energy and transportation are higher in New England than the remainder of the country, as we are energy poor and on the end of the nation's transportation network. Further, liberal and equitable social programs and an historical concern for the quality of life in the area have led to high taxes for both personal and business income. Finally, many of the mill-based industry (textiles, leather, shoes, etc.) have moved out of the region into Southern states, and many of these remaining have contracted or closed partially as a result of lower-priced foreign imports.

These structural problems combined with the national recession have served to offer an incredibly unfavorable environment for the introduction of the CETA program, especially Title I. Even in a good economic climate the problems of aiding the disadvantaged in a meaningful and economically viable fashion is difficult, but with the poor climate and over-demand for CETA services, the Prime Sponsor in the area have faced grave difficulties in implementing effective Title I training programs.

The history of manpower program successes and failures have taught us certain lessons about program mix in an expanding versus a contracting economy. For example, as the number of eligible people increases, it is likely that the CETA programs may have built-in incentives to cream the applicants and to possibly slow a bit on enforcement of outreach and other affirmative action goals. One cannot expect placement in OJT slots to do as

well as institutional training programs in times of economic downturn. The availability of PSE money has helped to ease the demand of the cyclically unemployed for Title I services, but not enough so that all of those who needed help were able to get it.

C. Profile of the Prime Sponsors Studied

This section presents a brief profile of the economy and socio-demographic characteristics of the various areas studied. Only the Cambridge consortium is discussed in terms of each of the member towns and cities, as the differences and similarities among these five communities will give the reader an idea of the diversity within one Prime Sponsor. The remainder of the Prime Sponsors are discussed only very briefly.

1. The Cambridge Consortium - The Eastern Middlesex Human Resource Development Authority (EMHRDA)

The five communities across the Charles River from Boston make up a widely diverse demographic and economic region consisting of the cities of Cambridge and Somerville and the towns of Arlington, Belmont, and Watertown. The entire consortium is within the Boston SMSA. In 1970 the population of the area was about 310,000 or about 5.5 percent of the total state population. The EMHRDA was formed in 1974 and grew out of a previous relationship among the towns in reference to the Area Manpower Planning Board's (AMPB) comprehensive plan which was formulated prior to the passage of CETA. Cambridge had a population large enough to stand on its own as a Prime Sponsor, but chose to take the lead in the formulation for a consortium by persuading its neighboring communities that the Prime Sponsor could be well managed and attract funds. It happened that the five towns also comprise the Congressional district of Speaker of the U.S. House of Representatives, Thomas P. O'Neill, Jr.

Examination of the economic demographic characteristics of the five cities and towns makes it clear why there was some hesitation with the initial consortium arrangement. The communities vary substantially in size, with Belmont having only one-fourth the population of the largest city, Cambridge. The governmental structure and the groups in need of manpower

services vary widely from community to community. For example, Cambridge has a substantial Portuguese-American population, as does Somerville, while Watertown has a sizable Armenian-American population and a firm commitment to serve this group in their programs. However, they all have a declining economy in common, mirroring in many ways the overall economy of the state--a decline in manufacturing jobs especially in the non-durable goods area and an increasing percentage of employment in the service sector.

The town of Arlington is clearly part of the Boston labor market, with 80 percent of its residents commuting out to their jobs. The local economy has been in a state of stagnation with very old commercial buildings and a lack of parking--both of which serve to hold down the expansion of private businesses in the town. It has a population of about 50,000, a labor force participation rate of 48 percent, and the highest median age of the five communities--33.5 years. The town is run by a professional manager with administrative authority over town government, subject to review by the elected five member Board of Selectmen. CETA is part of the town government but does not appear in the budget which goes to the town meeting. The CETA program has two main parts: PSE and a cluster of manpower services operated by a CAP agency under a subgrant. The minority population is small and spread among Greeks, Spanish-speaking, Blacks and Orientals, none representing more than 2 percent of the total population.

The City of Somerville is the second largest (population - 80,000) and most densely populated of the members. The most important sources of employment are in retail and wholesale trade and light manufacturing. Again, almost four-fifths of the workforce commute outside of the city. The minority population is dominated by the Portuguese and Spanish-speaking, each of which represent 16 and 8 percent of the population, respectively. It is mainly a working class city with a rough style of politics that has influenced the CETA program, particularly the PSE funding. The unemployment rate (14 percent in January 1976) was the highest among the five communities, as is the rate of persons dependent on welfare. The city government has a strong elected mayor who is deeply involved in the CETA program, run through the Somerville Employment Center.

Cambridge is the center of the consortium (population over 100,000) with an incredible diversity among its neighborhoods from the affluent sections housing the faculties of Harvard and MIT to the very poor neighborhoods bordering on the Somerville line. The largest ethnic groups are Portuguese and Blacks, which constitute 11 and 10 percent of the population, respectively. The government is a 9-member council elected every other year in nonpartisan elections. The council then elects the mayor from among its members and, by majority vote, hires a city manager. Cambridge has lost manufacturing jobs, but its economy is quite alive with jobs per 1,000 population equaling that of Boston--the center of economic activity in the area. About 55 percent of the residents work within the city and hold 30 percent of the total jobs within its boundaries. Education-related work and light manufacturing are the mainstays of the Cambridge economy.

CETA is run through the Cambridge Office of Manpower Affairs with its director headquartered in the Cambridge City Hall, and assigned to head the consortium. Cambridge is the most diverse and complex of the five communities with a large number of unemployed persons. The location of large universities and the interest of the universities in the government of their city complicates the political process. The CETA program is seen as a major resource for the city and the arrangement with the neighboring communities is not everyone's favorite, as the city is large enough to be its own Prime Sponsor.

Belmont is a small town (population 28,000) with virtually no minority population, but fully 20 percent of its residents over 60 years of age. Wholesale and retail trade are the mainstay of the economy. The town has no full-time town manager, but is governed by a three member part-time Board of Selectmen who hear reports from department heads under their jurisdiction each Monday evening. CETA is located in the Town Hall annex and is run by a manpower coordinator hired by the Selectmen. The unemployment rate is lower than the surrounding communities and the manpower coordinator has had some trouble in outreaching to those in the community who are pinpointed as CETA target groups.

Watertown's 36,000 residents are almost one-third Armenian-Americans. The government is a Board of Selectmen which hires a full-time manpower

coordinator for CETA. Its mainstay is manufacturing employment, although its economy has also been stagnant--an unemployment rate of 12 percent in January 1976. One of the major problems to be addressed by the CETA program is the availability of English as a second language--courses needed for the large number of immigrants who reside in the city.

In short, EMHRDA is a diverse consortium with the vast majority of its residents working outside its geographic boundaries and a generally declining economic base. The consortium exists as much for a lack of alternatives as for any other reason. The city and town governments do appear in agreement that the CETA money should, to the greatest extent possible, be used as an economic development tool. Unfortunately, there is little if any cooperation between the EMHRDA and the neighboring city of Boston, which operates alone as a Prime Sponsor.

2. The Lowell Consortium

Eight communities surrounding Lowell in the northern part of the state constitute the Lowell consortium, generally considered to be one of the better Prime Sponsors in the country. It has been the subject of numerous studies by the various agencies and groups interested in the progress and processes of CETA. The Lowell area is a "mature" manufacturing district of the state that has been under steady decline for many years. The industries which were the basis of the economy read like a list of the dying industries all over New England; apparel, textiles, and leather goods have all but disappeared from the area. They have been replaced to some extent by industries in the high-technology areas such as electronics, space and defense equipment, and computers. However, new jobs did not make up for the loss of old ones and to meet those needed as a result of the increasing area-wide labor force participation rate. The Lowell SMSA was ranked as one of the ten worst unemployment areas in the U.S. in 1975 when its rate peaked at about 15 percent. This has subsequently dropped to around 8 percent by 1977, reflecting subsequent increases in employment.

Lowell had a 1970 population of just under 100,000, and the surrounding towns (Billerica, Chelmsford, Dracut, Dunstable, Tewksbury, Tyngsborough, and Westford) add to a combined consortium population of about 214,000. The area

has very few minorities (less than 2 percent of population) but a substantial poor population, due to the high unemployment and the low wages paid in the area. In 1976 the average weekly earnings for production workers in Lowell was $176, compared to an average of $203 for the state as a whole. Further, the chances for further economic expansion do not look promising. A study by the Northern Middlesex Area Commission concluded that new or expanding industries would have little reason to locate in Lowell.

3. New Bedford Consortium

At the turn of the century New Bedford, like Lowell, was a textile manufacturing center, but by 1960 the vast majority of the mill-based industries had either died or left the area. No new major manufacturing activity has replaced them as yet. The population in this seven-city consortium in southern Massachusetts has increased in a greater proportion than the state as a whole, due in large part to the attractiveness of the geography of the area. Six of the seven towns in the consortium have been growing at a rate of 2 percent per year. The 1970 population was nearly 170,000. Unemployment in New Bedford has been high since the end of the Vietnam War and peaked in October 1975 at about 14.5 percent, compared to a 1974 average of 7.8 percent. By 1977 the unemployment rate dropped to about 7 percent.

The very large immigrant population suffers severe structural unemployment; New Bedford has the second highest proportion of first and second generation Americans of the 283 SMSAs in the country. The immigrants are predominantly Portuguese (Cape Verdians) who possess skills in the stitching and fishing industries, but if they cannot find work in these areas their employment problems are severe. Lack of ability to speak English hampers job search and productivity. The educational level of the immigrants is far below that of the non-immigrant population. The lack of English coupled with low formal educational levels has prompted the consortium to adopt many special steps in the ESL and basic education courses. New Bedford also suffers a unique problem in terms of minority population; the size of which is not known due to census definition problems. There are about 15,000 Cape Verdians in the area who are of mixed ancestry and are officially classified as white by the census, while the State Division of Employment Security

classifies them as minorities. The Cape Verdians coupled with the Spanish-Americans and Blacks constitute about 13 percent of the population.

Although the economy is relatively stagnant there have been two recent developments that could give it new life. The 200-mile fishing limit could have dramatic effects on the New Bedford fishing industry, and if the off-shore drilling begins, New Bedford will likely show dramatic changes in employment because the harbor is one of the largest on the East Coast.

4. Balance of State (BoS)

The area covered by the "Balance of State" is just what the name implies--any city or town that is not included in any of the other Prime Sponsors in the state. The coverage of the BoS is as diverse as the state itself and spread from the tip of Cape Cod to the western edge of the state. It is divided into subgrantees areas. Each of the 18 subgrantees can be likened to a "mini-prime sponsor" and is composed of contiguous cities and towns. One town is given the responsibility for administration of CETA and its chief elected official is the responsible officer. In 1975 there were 3,500,000 persons in this "Prime Sponsor," about 99 percent of them white. The affluence of the subgrantees has wide variance, with the Newton area having a median family income of over $14,000 (1970) and Fall River only $9,000.[2] The wide variance in family income is indicative of the wide variance in needs, industrial structure, and employment problems. Clearly, one of the benefits of the subgrantee structure is that the locally diverse areas can plan their own program, as it would be impossible to centrally plan for the BoS.

It is impossible to generalize about the structure of the BoS communities unless one discusses all of Massachusetts except Boston and Cambridge. The most significant indicators of use in gaining an overall picture are (1) the unemployment rate which has been higher than the national level since 1971 and (2) the fact that the manufacturing sector is declining in

[2] Fall River was scheduled to become a Prime Sponsor as of October 1, 1977--the second subgrantee to seek and gain Prime Sponsorship after a period as a subgrantee. Brockton was the first.

importance over the whole state.

Our study included not only the Balance of State headquarters in Boston, but also two different subgrantees: (1) the cities of Newton and Waltham, with nine surrounding towns, many of which are among the most affluent in the State; and (2) the City of Quincy with ten surrounding towns largely south of it. The population in the Newton subgrantee was 323,185 (1975), and the non-white population accounted for only 1.8% of this total, largely Spanish-speaking. Quincy and its area, on the other hand, had a population of 318,000, with .8% non-white. Economically, the per capita incomes in the area were generally lower than in the Newton subgrantee. Newton had difficulty during the study period in finding clients eligible under Prime Sponsor guidelines, especially for OJT. Half of the Title VI positions filled were in the professional, technical, and managerial categories, resulting from unemployment in the high-technology firms around Route 128 "golden semicircle" during the aerospace cutbacks and the economic recession generally. In Quincy, the shortage occupations were those which required experience and skill, but little was done to meet these shortages. The CETA program concentrated on the economically disadvantaged, but main energies were directed to the much larger Title VI PSE programs, since Quincy had been a "prime sponsor" under the earlier Emergency Employment Act.

One final comment should be made about these two subgrantees in the greater Boston labor market. While no data exist to show the extent of commuting to the city of Boston for employment, the Metropolitan Bay Transportation Authority (MBTA) provides rapid transit facilities to Quincy and Newton, in addition to buses and commuter rail facilities to Waltham and suburban "bedroom towns." Super highways south to the Quincy area and west to Route 128 are jammed with private automobiles coming into Boston. We did not study the other 16 subgrantee areas under Balance of State; those which are more rural may be more self-contained economic units.

Concluding Comment

It is fair to conclude that over the three-year period of the implementation of CETA, the economic climate for effective job placement, OJT programs, effective outreach, etc., in Massachusetts and especially in the Prime

Sponsors we studied has been depressed. Unemployment rates have dropped, but employment has not been expanding fast enough except in a few industries in select areas. As a consequence, CETA programs were often forced to become income maintenance programs, as we shall see, rather than instruments for upward mobility. It is important that the reader understand the setting of the implementation of CETA in eastern Massachusetts, and judge its successes and failures in this light.

2. METHODOLOGY OF THE STUDY

The central objective of this three-year research project was set forth in 1974 by agreement with the Office of Research and Development of the then Manpower Administration, U.S. Department of Labor, in the following words:

> "The objective of this project is to determine the feasibility and value of using an outside organization to observe and analyze the decisions made during the early implementation of the Comprehensive Employment and Training Act of 1973 (CETA), and to provide feedback to the CETA prime sponsor(s) on the impact of those decisions on manpower services and institutions, program participants, and others in the community."

Further, the project was to

> "... compare manpower programs under CETA with former manpower programs under MDTA ... EOA ... EEA. The grantee will address such critical issues as the determination of manpower goals; selection of program participants; composition of the manpower advisory council and its role in the decision-making process; mix of program services; structure and staffing of the manpower delivery system; role of the Employment Service; minority group perceptions of the new system; and impact on program performance by quantifiable measures, such as cost per placement, by changes in labor market status, and by qualitative considerations, such as manpower agency reputation and morale."

The project sites in Eastern Massachusetts have already been reviewed in Chapter 1. The M.I.T. Industrial Relations Section research group did not study Boston directly; there was a subcontract to the Department of Economics at Northeastern University, which had done earlier research in the city, for a two-year study of the same questions in Boston. For unavoidable reasons, the report due on Boston by July 30, 1976 had been delayed almost a year, following review of an earlier draft report by the city manpower staff and the Regional DOL office. There will be, therefore, only limited reference to the Boston study in this report. We reviewed the earlier draft report and made comments and suggestions. The final Boston report follows this report.

This chapter will indicate how we proceeded to staff for this three-year research project under the grant, the central questions with which

we began, and how the cumulative Prime Sponsor studies provided an unusual opportunity to follow a dynamic process. We shall also outline the feedback and reporting methods we used, both at thelocal and federal levels. Finally, the chapter will conclude with a brief note about methodology and the organization of the remainder of the report.

A. Staffing and Research Questions

The approach which we proposed and had used before on similar research projects involved graduate students in industrial relations at the Sloan School of Management at MIT. During the first year, 1974-75, five students chose or were assigned to the following: the Cambridge Consortium, the Lowell Consortium, the Balance of State headquarters, the Quincy Subgrantee area, and the Newton Subgrantee area. In addition, a minority student undertook to probe the nature of the perceptions toward CETA in the Boston minority community, not covered by the Northeastern-Boston study. During the summer of 1975 and the academic year 1975-76, another group of students (overlapping with the previous group in the spring of 1975) followed the first group with two exceptions: Balance of State along with Newton and Quincy were covered by one graduate student, and another covering Lowell added New Bedford also.

In the final year, beginning with an overlap in Spring 1976, and into the summer and academic year 1976-77, three more graduate students followed the previous three in the main prime sponsor areas, but no student continued on minority community perceptions of CETA in Boston. Altogether, then, a total of thirteen graduate students worked on this project at different times over the three-year period,[3] under the supervision of staff members, principally the two authors, along with Phyllis A. Wallace during the first two years.

---

[3] These students were: (1974-75) Thomas Bentley, Burton Bluestone, Charles Dickinson, Susan Lotz, Oliver Underwood, and Myron Wurzberger; (1975-76) Harvey Berger, Arlene Gilliam, Anne Howe, and W. Wayne Suojanen; (1976-77) Ellen Epstein, Ethan Jacks, and Lina Newhouse. Suojanen, a doctoral student, continued his studies of Lowell and New Bedford during the summer of 1976 and part-time during the 1976-77 year, including Brockton also (a former BoS subgrantee that broke off and became a Prime Sponsor consortium).

The central questions which guided field research by graduate students during the first year and most of the second were twelve in number, and elaborated on the central issues quoted at the outset of this chapter, the statement of the grant project. Our questions dealt with the nature of the manpower planning process through the professional staff and manpower planning councils; the manpower program priorities developed as compared with pre-CETA where possible; the role of the elected officials in the whole process; the relationship between approved plans and the delivery systems to provide services (including the State Employment Service); the characteristics of the clients served and results in terms of job placements over what periods; the monitoring and evaluation procedures developed to determine which programs ought to be continued, which were funded less or dropped, and whether new programs were added; the use made of Public Service Employment (Title VI) funds; the roles of the regional Department of Labor (Manpower) office and the State Manpower Affairs staff in approving the plans providing technical assistance to Prime Sponsors and subgrantees and in monitoring and evaluating plan results; and finally in Boston, how has the administration of CETA funds through the city's Office of Manpower Affairs been perceived by members of the Boston minority community, particularly in those agencies which formerly received funds directly from Washington during the pre-CETA period.

Not every study could deal with all of these questions in the same way; but during the first two years an effort was made to get as much information as could be secured on each (except for the last which was assigned to two students in succession during the first two years). In the final year (1976-77) we urged the three students to build their Master's theses on what had been done in the preceding two years, and to emphasize particularly certain aspects of the entire project so that these in turn would be additive. Our final report draws particularly on the final year's reports which themselves include summaries of the previous work.

We believe that this research process has also permitted adaptation to dynamic changes which occurred in the Prime Sponsors and subgrantees over the period studied. Not only were there relative changes in the economic climate discussed in Chapter I, but there were problems facing some of the Prime

Sponsors in their internal relations, relationships with federal and state agencies, and others which could not have been foreseen when the original research questions were outlined. Our field research staff, in touch with these developments as they occurred, could bring a measure of reality to this three-year study for which no short series of visits or questionnaires at a point of time could adequately substitute.

B. Feedback and Reporting Methods Used

As required by the research grant, we impressed on the student field research staff the need to give oral feedback toward the end of each research year to the staff of the Prime Sponsor. This was supplemented at the end of the period by a copy of the thesis or report sent by the student to the Prime Sponsor staff that he or she worked with over the preceding year.

It was also agreed that in May 1975 and May 1976, in lieu of a written project report at that time to the Office of Research and Development, Manpower Administration, U.S. Department of Labor, the student research group would make short oral presentations in Washington to the ORD staff and other officials in the operating end of the Manpower Administration. This was organized each year by one of the authors, and proved to be useful for the students as questions were raised, and hopefully, to those who came to get this type of feedback. A short written report based on this presentation was prepared later, and sent to the ORD office in Washington for wider distribution. These two oral presentations also included a longer report by the Northeastern University group working on the CETA and pre-CETA experience in Boston, under subcontract to the MIT project.

Coordination of this Boston project and the MIT studies has occurred over the research period by oral presentations at the weekly industrial relations research seminar at MIT. In addition, the MIT student researchers have presented their interim findings each January during the "independent activities period" to an MIT audience and others invited from the Prime Sponsors, the state, and the regional DOL office. During the past year especially, one of the authors has met weekly with the student research group to coordinate their efforts in the final set of student reports for the project.

C. Methodology and Organization of the Report

This report is basically a summary of the generalizable impressions and facts which have been gleaned from the series of prime sponsor specific studies carried out under this project over a three-year period. As already noted, virtually all of the reports generated over the project period have focused on the problems and processes of the implementation of CETA in a specific geographic area, either a Prime Sponsor or a subgrantee. Rather than write a summary of the evolution of CETA in each of the areas studied, the authors have decided to organize this report around the different facets of CETA that cross geographic areas, with concentration on the issues and impacts which may be functionally related to CETA implementation and refinement on the national level.

Before proceeding with the organization of the report, it is important to set down several caveats which will be adhered to throughout the report.

First, generalizations about a process as complicated as the implementation of a manpower program cannot hope to capture the flavor of the enormous amount of energy and dedication put into the CETA program by some of those responsible for its implementation and administration, nor would it be beneficial to report anecdotal instances of abuse and failure. Instead, the extremes will be avoided unless considered germane to the point being made. Also, even though the authors have come to know many of the CETA officials within the State, we will not let this enter into the report in a central way unless the leadership-management differences observed will serve as lessons for those who must continue to work in the honing and refinement of CETA and other programs with similar purposes.

Second, the central focus of this report is on the processes of CETA in concert with both old and new agencies and political institutions. Field research made it clear early in the project period that lack of records, changes in geographic boundaries and personnel would not facilitate a comprehensive evaluation of the impact of CETA as compared to the variety of categorical programs operating in the same area prior to its passage. However, in some cases we were able to collect reliable data on pre-CETA programs and client mix and these will be presented.

Third, the bulk of our attention is given to the programs operating under Title I and II, although there is considerable discussion of Public Service Employment programs under Title VI. Presumably, Titles I and II, will, however continue after Title VI funds in the countercyclical sense are phased out.

The report is organized in the following manner. Chapter III presents a discussion of the administration of CETA, with emphasis on the organizational factors, especially in the Prime Sponsors studied. Chapter IV is the portion of the report which discusses the generalizations and lessons learned on the process of implementation of CETA. Attention will be given to the planning process, including the uses of labor market information, the roles of the regional DOL office, elected officials, and Prime Sponsor directors. Chapter V presents the numbers portion of our report with impact and client information that we were able to gather from pre-CETA records and post-CETA performance and monitoring information, including qualitative information as well. Finally, Chapter VI presents a more detailed summary of the findings and recommendations emerging from the entire study.

3. THE ADMINISTRATION OF CETA

Administrative difficulties in the first three years of CETA have surfaced in virtually every Prime Sponsor and subgrantee within the state, albeit to widely differing degrees. The difficulties can be traced to simple lack of experience in administering social programs, very tight deadlines imposed by the RDOL (especially in reference to the PSE allocations) understaffing, staff recruitment and turnover problems, fundamental shortcomings in the consortium arrangements, lack of technical assistance, personality difficulties on all sides of the issues, and political interference in the planning process.

The two most common administrative structures are either the prime sponsor as overseer with reliance on subcontractors for operations (except PSE), or the prime sponsor as operator and overseer. Performance and evaluation criteria show subcontracted operations to be running smoother than the other extreme, although it is not possible to assess if this is the result of the leadership style and expertise or some inherent advantage to the subcontracting method of organization.

The following section briefly describes the differing organizational structures of the prime sponsor studied. The reader should keep the differing structures in mind as the processes and impact of CETA are assessed in the remainder of this report.

A. In the Prime Sponsors

The Lowell Consortium

The city manager of Lowell, hired by the Lowell city council, is the chief officer of the consortium. Since the inception of CETA there have been five different city managers. Given that the city manager is responsible for the appointment of the CETA director and the MPC members, one might expect disruption in the CETA operations. This, however, has not been the case and Lowell is consistently cited as one of the "model" Prime Sponsors. The fact that the CETA director has remained in his position since 1973 attests to the fact that he has gained the respect of the city council, the MPC and the program operators, and has managed to win the confidence of each of the city managers.

The CETA director was previously the head of the AMPB and was involved in the Model Cities program. He has been coordinating programs in the manpower area for many years and has developed a good feel for practical solutions and compromises at the local level. All of the programs in Lowell (except PSE) are subcontracted, many of them to program operators and organizations that were functioning prior to CETA. The staff of the CETA director has responsibilities for monitoring, fiscal management, the management information system, and evaluation. (See Figure 1). Yearly evaluations of all Title I programs are conducted through data gathering as well as on-site visits by CETA staff and MPC members. The evaluation subcommittee of the MPC received summarized information and evaluation results. The review process has been taken very seriously in Lowell and the planning documents reveal that changes are implemented as a result of MPC recommendations. MPC reviews are always conducted with careful attention to the input of the director. We have yet to find a case where the recommendations of the MPC and CETA director have been overturned by the city council.

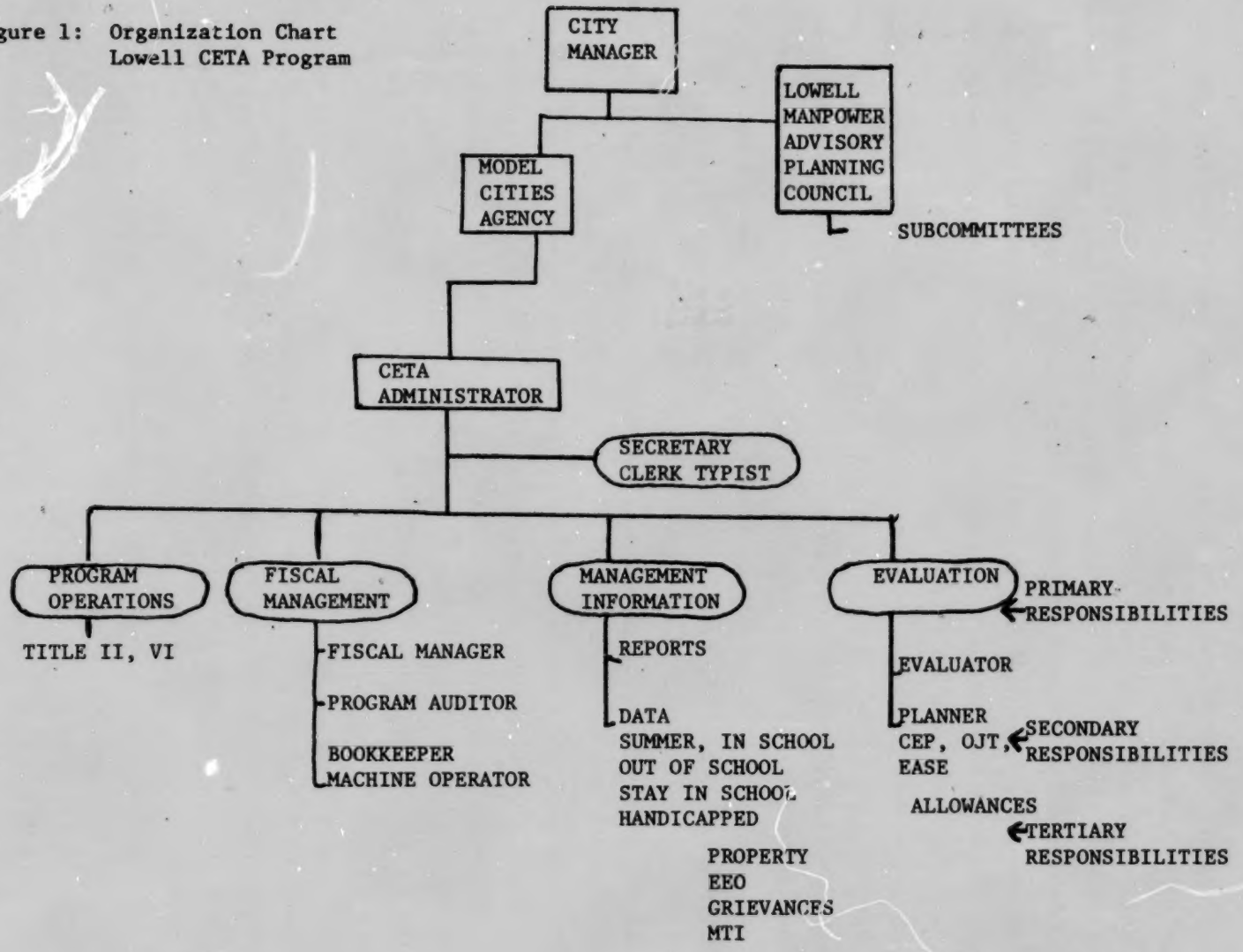
PSE programs are operated directly from the offices of the elected officials under the supervision and guidance of the CETA director. Although there were problems of timely implementation and job assignment in the earlier years, PSE processes have appeared to smooth out.

The cornerstone of Lowell's operation lies in a strong director who is able (by design) to keep free of the everyday program operation decisions and instead keep a hand in monitoring, adjustment and technical advice when needed. The organizational structure suits his leadership style and the prospects for continuing smooth operation for the Lowell Prime Sponsor are excellent. Further, the MPC plays an important and respected role, and this too, is likely to continue in the future.

The New Bedford Consortium

New Bedford, like Lowell and Cambridge, has its manpower services roots in the CEP and CAMPS projects. In fact, the present CETA director was formerly the head of the CAMPS operation and moved directly into the CETA position, taking many staff and program operators into the "new" jobs with essentially the same duties as pre-CETA. The mayor of New

Figure 1: Organization Chart
Lowell CETA Program



Bedford is the chief executive of the CETA operation with the MPC as the chief advisory unit. The mayor appointed the CETA director who has a managerial staff of five, including a director of program operations, a fiscal officer, a management information system director, a chief planner, and an equal opportunity employment officer. The director and his staff serve as the "staff" to the planning council although numerous complaints have come from MPC members that the information they receive is selective, often late and not very useful.

The program operators carry through their own administration and report directly to the CETA director and the director of program operations. MPC coordination and planning in general have proven to be problematic in New Bedford as the CETA director often makes unilateral decisions about programs and priorities. This tends to anger the MPC members and those in staff positions in the central office.

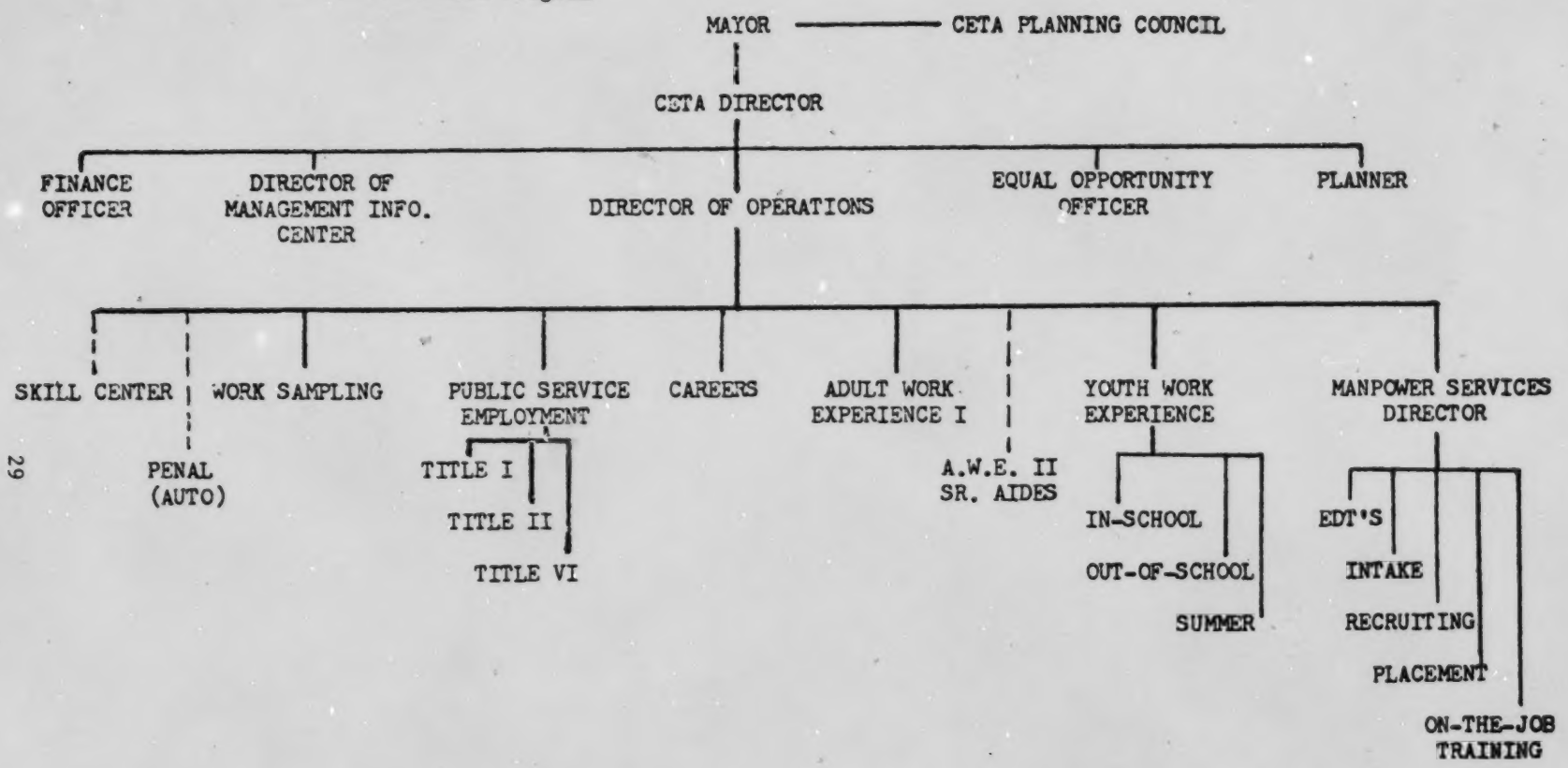
The administrative structure of New Bedford (Figure 2) resembles the majority of Prime Sponsors nationally in that there are only two major subcontracts. The local vocational school is subcontracted to provide instruction and vocational counseling to the CETA clients at the New Bedford Skill Center and the DES personnel are contracted for counseling, job development, testing and coordination of the OJT programs. Although this relationship was stormy for a while, it appears to have smoothed out.

EMHRDA - The Cambridge Consortium

In many ways EMHRDA is the most complicated of the Prime Sponsors studied in that the political structure and history of the five adjoining towns which make up the consortium severely complicate decision making, reporting responsibilities and authority relationships, as we have seen earlier.

In 1974 a memorandum of agreement was formulated which created three units within EMHRDA - The Board of Directors, Central Staff and Planning Council. The Board of Directors is made up of five local program operators, one from each of the member cities and towns. The Cambridge city manager is the head of the Board, although in 1975 he appointed the Director of Manpower Services from the Cambridge Office of Manpower Affairs as his substitute. The primary function of the Board is to review and approve

Figure 2: Organization Chart,
New Bedford CETA Program



- - - - - - indicates a contracted component

plans, authorize allocations to the five local offices, approve MPC nominations, and direct, when necessary, the actions of the local offices or central staff. It serves many overlapping functions with the MPC members, although the Board has the authority to direct activity.

The second major set of actors is the MPC whose membership budget and staff help is controlled by the Board, although the MPC elects its own chairman by majority vote of the 36 members. The third major actor is the regional director who is in charge of the central staff headquartered in Cambridge. This staff serves as the liaison between EMHRDA and the DES, holds training sessions for local staff, carried through labor markets analyses, provides fact-finding investigations and provides leadership and support for meetings of local manpower groups. In addition the central staff is responsible for the budgets, property monitoring and evaluation and the preparation of the yearly plan.

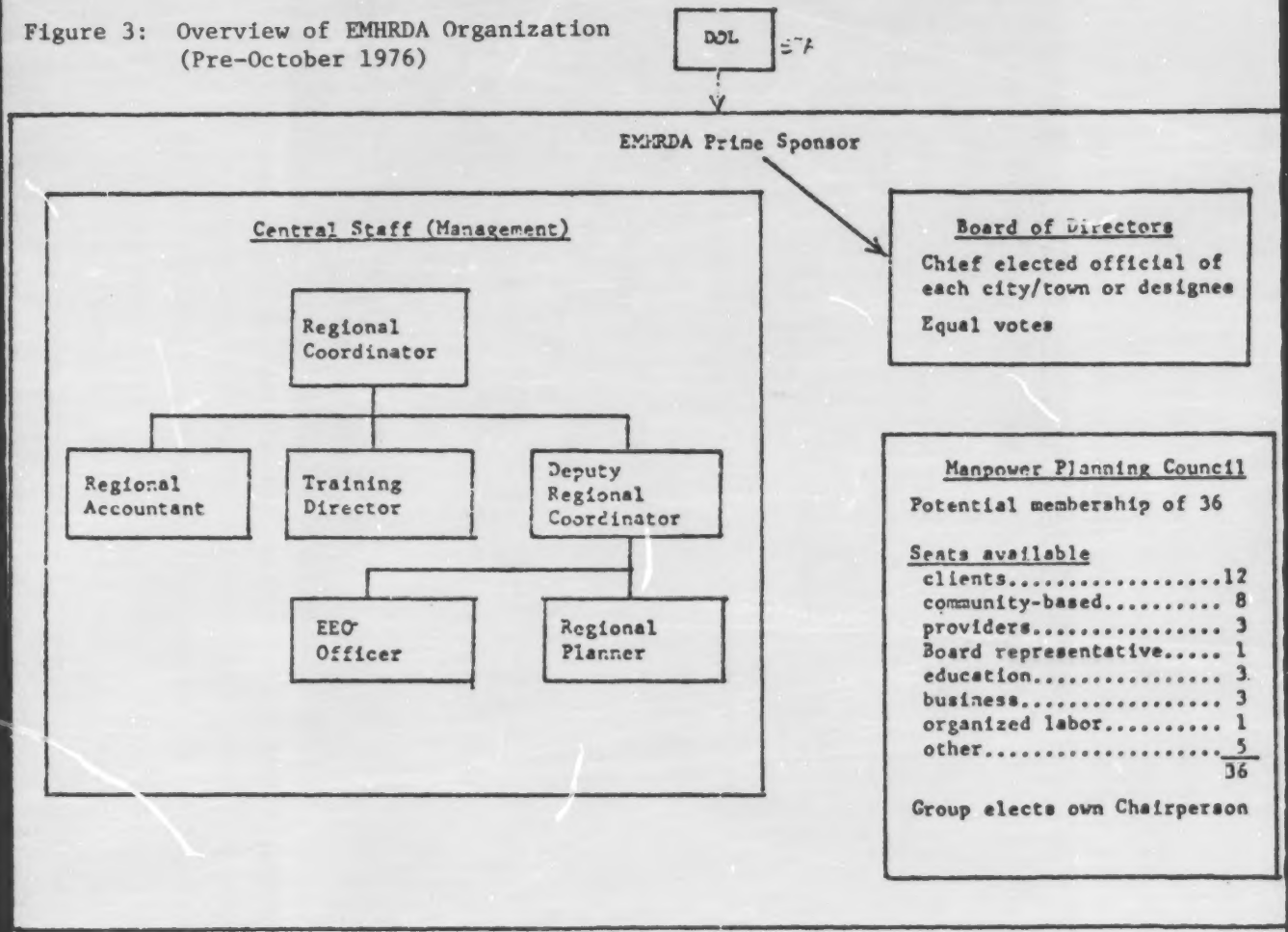
The administration and organizational structure almost dictate that there will be problems in decision-making and funding priorities. (Figure 3) This is true partially because the avaiiability of PSE funds for each of the cities and towns brought the mayors (selectmen) into the midst of the planning and approval cycle. In addition, the central staff was perceived by many to be reporting directly to the city manager and mayor of Cambridge as the offices are housed in the Cambridge City Hall.

In one sense, EMHRDA is a micro picture of the national scheme for delivery of CETA services. The cities and towns are different in industry and population characteristics and each has its own priorities and needs for utilization of the CETA money. In addition to the inter-town problems of formulating a coordinated plan, they have the RDOL looking over their shoulder to make sure that regulations are adhered to. In fact, a legal suit has been filed against one of the cities for violation and abuse of the PSE funds. The RDOL is the initiating party. A major question in reference to abuses is whether the consortium or the individual city is responsible and whether the sanctions, if any, should be applied to the consortium or the individual city.

Balance of State

The BoS, more so than any of the other prime sponsors within the state,

Figure 3: Overview of EMHRDA Organization (Pre-October 1976)



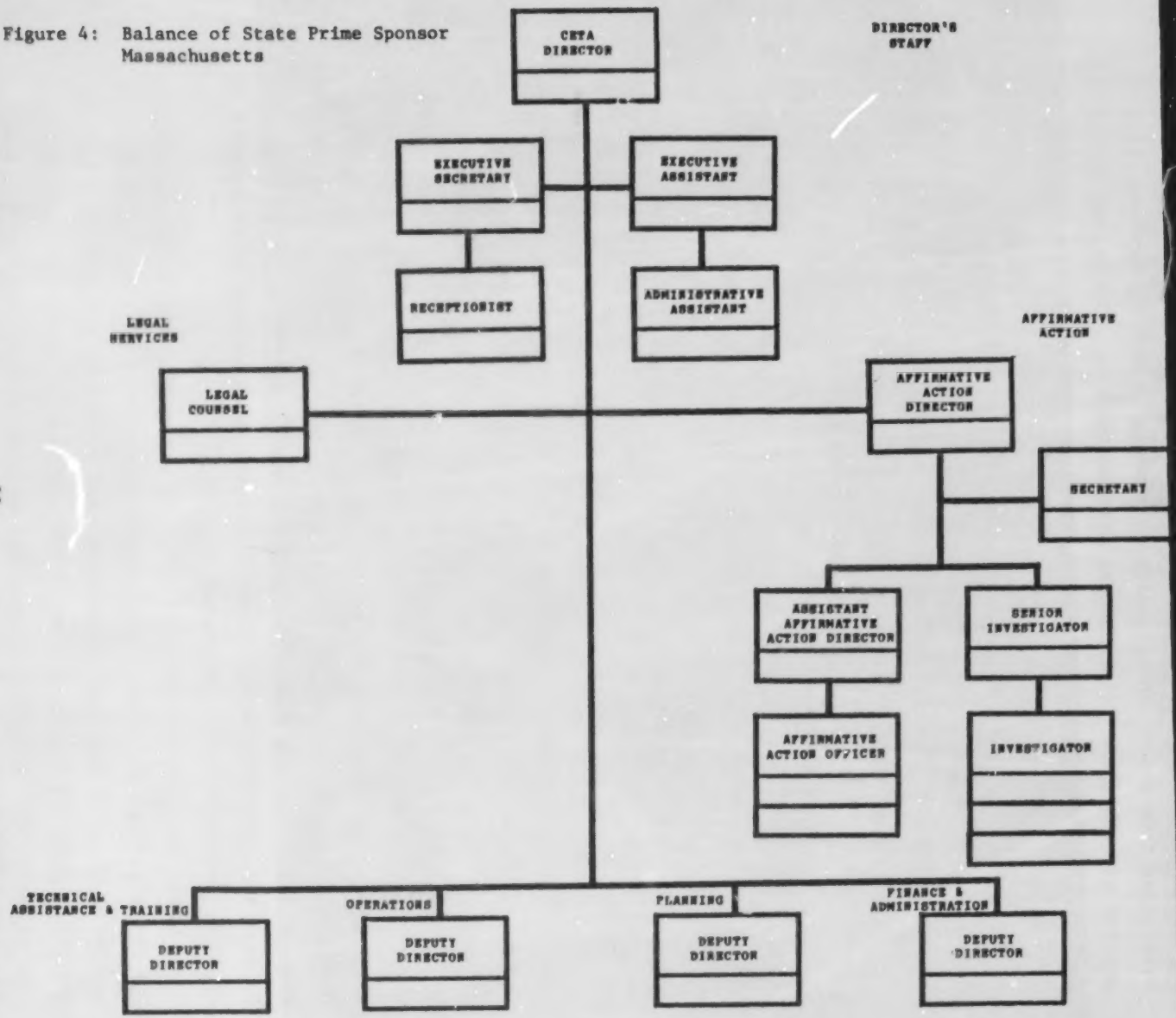
is an organization to which generalizations do not apply. The efficiency of administration and program delivery show wide variation among the 18 subgrantees. The present structure of the BoS had its roots in the organizational structure set up for the dispersion and monitoring of the Emergency Employment Act funds. Each subgrantee is a consortium of small cities and towns which acts, in some ways, as its own mini-prime sponsor with control (via contract) ultimately resting with the central office of the BoS. Essentially, the BoS serves as an administrative and financial overseer and "buffer" between the subgrantees and the RDOL.

Subgrantees are spread geographically from Cape Cod to the Berkshire Mountains. The population served are as varied as the geography. Planning autonomy, within overall guidelines, is allowed the subgrantees, although there have been several cases of plans submitted which were unacceptable to either the central staff of the BoS, the RDOL, and in one or two cases, the MPC (discussed elsewhere in this report).

The central staff of the Prime Sponsor is located in Boston where the director is assisted by four deputies and their staffs who are responsible for (1) operations, (2) planning and evaluation, (3) administration and fiscal management, and (4) technical assistance and training. (See Figure 4.) The internal structure of the BoS is almost constantly undergoing change to respond to either new funding arrangements and levels, RDOL "suggestions", advice of outside consulting firms, and the like. The structure as presently comprised is not favored by the RDOL and consequently there has been pressure to alter it to better fit the effective delivery of services, as perceived by the RDOL. In fact, the RDOL let out an RFP to "get an objective opinion on the efficacy of the BoS organizational structure." This is discussed in the following section.

There are several places where conflict and controversy are endemic to the BoS organization. First, the central staff of the Prime Sponsor must give prior approval to all subcontracts for manpower services let out by the subgrantees. Secondly, often staff hiring at the subgrantee level required BoS approval. At the same time the complete administrative and fiscal control of the program operators within the subgrantees are the responsibility of the chief official in the headquarters town or city of

Figure 4: Balance of State Prime Sponsor
Massachusetts



the subgrantee. The reporting requirements imposed on the subgrantees cover everything from policy and planning statements to monthly meetings of subgrantee directors and Prime Sponsor representatives. The volume of reports is superseded only by the number and type required of the Prime Sponsor by the RDOL.

In order to maintain "control" and offer technical assistance, the BoS headquarters has hired a series of regional coordinators to provide the organizational linkage. They have varied in their effectiveness due to lack of training or subgrantee's views of them as simply the Prime Sponsor's watchdogs.

The structure of each subgrantee resembles a "regular" Prime Sponsor type of structure with the director and staff appointed by the chief elected official in the central city or town. The BoS Prime Sponsor insists that each subgrantee has a planning council (called Area Manpower Planning Boards, AMPB) which advise the subgrantees in the same way as the MPCs advise Prime Sponsors.

Staffing has been somewhat of a problem for the central headquarters because of lack of personnel trained in the administration of manpower programs and because of the salary structure of the subgrantees. For instance, often the subgrantees are able to pay more for a planner or financial expert and thus can hire him/her away from the central office. This is advantageous for the subgrantee in that they not only hire a person experienced in the manpower area (and their training time is less), but they also get someone who knows what "goes on" in the central office. It should also be noted that the central office has "recruited" from the subgrantees. In any case, turnover is very high at central headquarters -- 46 percent in FY 1976, according to the personnel director.

Given that the BoS includes about 60 percent of the state population and its structure is in many ways beyond the control of the Prime Sponsor central staff, one can take a positive view of the development and implementation under extremely difficult circumstances. However, there is clear need to establish authority lines that are unquestioned and for the subgrantees to be given the autonomy that is built into the spirit, but not the letter of the law. Some have suggested a 5 or 6 part regional

structure for the BoS in order to prevent the problems which exist as a result of coordinating 18 different mini-prime sponsors. No action has yet been taken on this front.

If relations are not smoothed, there are several of the subgrantees which are large enough in population to take on responsibility as their own Prime Sponsor. In fact, one previous subgrantee, Brockton, has already done this and has not regrets about getting out from under the control of both the BoS and the RDOL; now they only have to deal with the latter's monitoring and oversight. Another subgrantee, Fall River, will become its own Prime Sponsor as of October 1, 1977.

B. The Regional Department of Labor (RDOL) and the Prime Sponsors

In the case of CETA, he who pays the piper does not get to call the tune. The RDOL may withhold funds from Prime Sponsors only in extreme cases and the level of funding is determined almost completely by formula. In any case, the RDOL had no stake in withholding funds as the losing party would be the clients. The most important responsibility of the Prime Sponsors to the RDOL is the submission of a comprehensive manpower plan which can be rejected by the RDOL for a variety of reasons. However, rejection is uncommon and should in fact not happen at all if the Federal Representative (FR) is working closely with the Prime Sponsor during the planning period and providing the technical assistance mandated in the law and regulations.

In addition to the planning document, the Prime Sponsor must supply the RDOL with an incredible array of reports, e.g. program planning summaries, program status summaries, PSE occupational summaries, financial status reports and so on. Occasionally, the Prime Sponsor must even provide "assurances and certifications" that it is adhering to all regulations. Persons connected with the day-to-day CETA operations are not surprised that the President's Commission on Federal Paperwork determined that the amount of paperwork required under CETA "prevented the program from serving its intended beneficiaries." The report went further to say that the DOL tended to "legislate through the issuance of guidelines and regulations." Whether or not the volumes of reports and paperwork are necessary to assure that the funds are used in an honest manner and do get to the persons

designated as target groups in the legislation is hard to determine. There are good arguments on both sides of the issue.

The demands of the RDOL for a continuous flow of forms which assure compliance with regulations may well aid the clients of the CETA program by insuring that the abuses are at least minimized. As with all aspects of the implementation of CETA, there is wide variance in the experience of the prime sponsor and their relationship with the RDOL. In some cases this is the most controversial issue, while in others the relationship has been smooth and productive. The following paragraphs present several examples of problem areas with the RDOL and some general conclusions on how the relationship might be improved in the future.

The connection between the RDOL and the prime sponsors falls mainly on the shoulders of the regional field representative (FR) who has the responsibility of offering technical assistance and monitoring the programs of specific prime sponsors. The majority of the Prime Sponsor-RDOL controversies pivot around the FR, as he/she is the immediate connection and often the purveyor of good or bad news. Unless there is a very serious problem or routine visit, the head of the regional unit does not become directly involved with the Prime Sponsor directors or staff.

Until recently, the New Bedford Prime Sponsor had an extremely strained relationship with the RDOL and, in the opinion of our on-site observer, much of this was due to the aggressiveness of the FR who chose to maximize his role as a monitoring agent rather than as a technical advisor. For example, the FR was convinced that the CETA director had no commitment to serve the disadvantaged population of the consortium, because the income level for eligibility was raised. The Prime Sponsor's claimed reason was merely to fill slots, while the FR claimed that the way to do this was to improve orientation, outreach, and assessment. Neither side was willing to compromise and the FR looked with a vengence for blatant abuses (finding some). Consequently, the relationship became so strained that the FR was transferred by the RDOL and another one took over. The new FR was much more subtle and tactful and managed to negotiate differences. As he was respected and taken seriously by the mayor and CETA director. Presently, the liaison relationship is holding up well. This case of controversy was likely the product of personalities and could have been prevented with

careful selection and supervision by the upper management personnel within the RDOL.

The case of Lowell provides an interesting contrast to New Bedford. The FR has been working constructively and cooperatively with the CETA director for a long time. The relationship may be due to the fact that Lowell operates no programs (all save PSE are subcontracted) and the director and the FR are both technical advisors and monitoring agents. Further, the RDOL is "proud" of the CETA program in Lowell and is not about to create disharmony by sending an aggressive FR to find some "dirty laundry".

Another case in point is that of the Cambridge consortium where one member city (Somerville) had a problem with the hiring procedures for PSE positions. (Presently under legal investigation). The EMHRDA director and the Board objected to "political influences" in the hiring procedures for PSE in Somerville. After failure to work it out internally (within the consortium), the DOL entered the picture (via the FR) but made neutral suggestions that either a lottery system be installed or that the DES perform the selection function. DOL was purposely staying out of the controversy. Ironically, the city manager of Cambridge (the director of the Central Manpower operation for the whole consortium had previously resigned) wrote a letter to the Associate Regional Administrator for the DOL asking him to intervene and enforce a uniform hiring procedure for the whole consortium. In other words, the controversy could not be settled internally, so the RDOL was asked for help. RDOL did not intervene directly and the allegations and accusations became very bitter. The FR then requested a corrective plan from EMHRDA headquarters and proof that Somerville was informed of the plan and the response. Only after this was done would the RDOL enter to help iron out the problem. EMHRDA felt it had no more bargaining power with Somerville, but proceeded to vote positively on the corrective action plan and notified Somerville. Somerville refused to comply and the mayor wrote a letter to the RDOL complaining about the whole process and calling the actions, "one of the more seamy witch hunts in American bureaucratic history..." Everyone was frustrated and the consortium considered disaffiliating with Somerville. It was finally agreed that a meeting would

be set up with the EMHRDA Board of Directors and the DOL Regional Administrator, after which the issue was temporarily resolved.

The lesson learned here is valuable. The FR was maintaining a posture that internal grievances of the consortium should be handled by the consortium itself, but at the same time the federal presence was always known because the FR attended all meetings and tacitly offered advice. The solution may well be a DOL investigative unit for these problems, so as not to compromise the dual loyalties and relationship of the FR to the Prime Sponsor's director and staff.

A similar incident occurred between the FR to the Boston Prime Sponsor, as Boston was not hiring for the PSE positions as fast as the RDOL would have liked. The media reported that Boston was waiting to hire so that no one would have to be laid off just prior to the upcoming mayoral election (anticipating that the funds might dry up). After much controversy (explained in more detail in the report on Boston), the FR was transferred to a new position. This particular FR became totally disenchanted with the actions of the Boston Prime Sponsor and carried this anomosity over into his new position where part of his job was liaison with the State Manpower Services Council staff. The SMSC staff was at the time preparing the rules and regulations for an experimental program called the Massachusetts Local Initiatives Program (MLIP)[4]. The immediate reaction of the FR was that it absolutely could not be done. After the regulations and intent of the program were carefully laid out to him and a series of meetings held, he finally approved the project after checking with his superiors. Ironically, the project worked well enough so that the RDOL came back to the SMSC later on and asked them for technical assistance to help others begin a similar program. Here again the personality of the FR got in the way of speedy and smooth implementation of a well-intentioned program.

The RDOL is involved with prime sponsors on more macro-organizational issues on occasion. One case in point has been the continuing controversy of the RDOL and the Balance of State (BoS) Prime Sponsor over the latter's structure and management. As has been pointed out elsewhere in the report,

---

[4]This program is discussed elsewhere in the report.

the BoS structure is "left over" from a system set up in a hurry to distribute the original funds under the EEA of 1971. Essentially, the BoS is a "mini-RDOL" and lacks, according to the RDOL, the appropriate controls over the subgrantees. After at least two years of trying to get the BoS to alter the structure of the subgrantee system, RDOL sent out a Request For Proposal (RFP) for an evaluation of the organizational structure of the BoS. An out-of-state firm was hired to do the job. Subsequently, progress reports were written which were highly critical of the BoS organization's management, which were given to a special committee of the MPC of the BoS. No changes have occurred in the BoS organization and the reports have not been publicly released. Perhaps all this would not happen if the lines of authority and regulations were clearly written.

Once a year the RDOL rates each of the Prime Sponsors within its jurisdiction. The possible ratings are "satisfactory", "marginal" or "unsatisfactory." In FY 1975 the RDOL awarded the BoS an "unsatisfactory" rating, citing that (1) funds were not being spent, (2) the Prime Sponsor did not have adequate control over the subgrantees and program operators, (3) monitoring by the BoS was inadequate, (4) labor market data had not been used to justify the programs, and (5) PSE slots were not well selected. Each of these points was disputed by the Prime Sponsor, but the damage was done. The media immediately picked up the ratings and questioning commenced. An inordinate amount of time was spent defending and correcting (or appeasing) the defects listed by the RDOL. The RDOL has two options for sanction: delay of funding, or finding an alternative Prime Sponsor. Neither of these was practical or worthwhile for the BoS, which controls almost 60 percent of the state CETA activities.

The BoS tried to respond by tightening controls over the subgrantees and hiring a consulting firm (at considerable expense) to write and coordinate the planning document for FY 1976. Even with this help, the RDOL did not approve the plan and it was sent back to the subgrantees for modification. The plan was subsequently accepted (what other choice was there?), but the BoS still managed to attain only a "marginal" rating for FY 1976; the RDOL citing need for improvement in the financial reporting system and program performance. The RDOL demanded a corrective action plan before funding the

FY 1977 grant. This was done and the RDOL funded the grant. However, as will be pointed out in the section on the MPCs, the "other" Prime Sponsor watchdog (MPC) did not approve the final (modified) FY 1977 plan, although the RDOL subsequently approved the plan anyway.

Careful attention should be given to the use of this rating scheme. It can really do very little good unless the RDOL is serious about dedesignation of the Prime Sponsor. The ratings only serve to create hard feelings and ammunition for the local newspaper and political opposition. In this particular case, the BoS was trying to make improvements in a large bureaucratic system that was at best difficult and at worst impossible to completely control. After all, the spirit of CETA is for local control and planning, while at the same time the RDOL is demanding complete control from the BoS Prime Sponsor. BoS in this case is in much the same position as the RDOL in terms of sanctions. They can "dedesignate" a subgrantee but this really does not solve the problem but rather transfers it to another city or town.

Summary of Section B

It was assumed that under CETA the role of the RDOL's would change from allocation of funds and tactical decision-making as well as monitoring, evaluation and followup to the provision of technical assistance, interpretation of guidelines and general oversight. Both the Prime Sponsors and the RDOL staff have had a hard time making operational this change of roles. Some Prime Sponsor directors and staff resent the presence of the FR, while others utilize the skills and knowledge of the FR to aid in smoothing administrative and technical problems. Eastern Massachusetts offers examples of both extremes in the federal Prime Sponsor relationship. The area of federal responsibility is still vague after a full three years of CETA. Consequently, the role is often what the appointed FR decides it to be.

The only issue upon which we found full agreement among the Prime Sponsors is related to the necessity and appropriateness of the RDOL review of Title I plans. All believed this to be a helpful and legitimate function for the RDOL. However, the Prime Sponsors almost unanimously considered anything further than this review meddlesome and unnecessary. Complaints centered on the control and demands for PSE occupational justification

papers, overburdening the prime sponsors with forms and reports and rating systems which only caused media and public relations problems. Ideally, within the spirit of the CETA law, the federal role should be first and foremost one of technical advisor and secondly, the RDOL must, according to Congressional mandate, make thorough reviews of Title 1 plans, so that the target groups identified by Congress are served as the law says they should be.

It is quite clear that there is room for improvement in the RDOL-PS relationship. The following paragraphs list some areas that our field work and interviews showed us could be improved.

1. There is clear need to set down explicit guidelines on exactly what the federal role is in law and how that responsibility can be operationalized.

2. Congress and the DOL should seriously consider the separation of PSE programs from the Title 1 programs operated under CETA. The vast majority of controversies surround the use of PSE funds. These could be minimized if either the RDOL ran the programs or they maintained a regular revenue sharing "hands off" policy.

3. There is great need for careful selection and training of the FR. These staff persons are the most important link between the federal, regional, and local levels. Experience in Massachusetts shows that several have been the cause of trouble in the prime sponsors, rather than part of the solution.

4. The rating system, as it stands, is not useful. Either it should be scrapped altogether or the RDOL should be provided with some kind of sanction and reward structure to use in conjunction with the ratings. If the rating scheme is kept, the initial investigation should be quantitative, with a specific on-site followup to make sure that the rating is reflective of the real performance of the Prime Sponsor and not just of some situation which could not have been prevented, no matter what action was taken by the Prime Sponsor. This is especially true in the BoS structure where the subgrantees likely feel the same way about central office control as the BoS Prime Sponsor does about RDOL control.

5. Attention must be given to consolidating and/or eliminating some

of the paperwork required of the Prime Sponsors. Without exception, all of the FRs, DOL staff, and Prime Sponsor personnel agree that the reporting requirements are excessive. Given the experience and acknowledged expertise of the RDOL auditing staff, many of the reports required could be incorporated into the regular audit, thereby easing the burden on both the RDOL and Prime Sponsor staffs.

6. There is need for definitional clarification of the target group priorities, as well as standardized definitions of program accomplishments and placements.[5] For example, the BoS monitors for enrollments and expenditures, while the RDOL is looking for such information as cost of entering employment or cost of indirect placement, and so on.

In sum, it is fair to say that over the three-year period, some progress had been made in stabilizing the RDOL-Prime Sponsor relationship and duties, but a constructive partnership will not be achieved unless some fundamental definitional and policy changes are made.

C. The Role of Elected Officials

The involvement of elected officials in the process of planning and implementing manpower programs was (and is) one of the expressed purposes of the CETA legislation. The rationale is that an official who was dependent upon votes would be more responsive to the employment and training needs of the constituents. During the initial phase of CETA it appeared that the warnings of those who opposed the involvement of elected officials in the processes of manpower delivery were unfounded. However, this holiday of smooth but struggling implementation ended with the passage of Title VI (Public Service Employment) in December of 1974.

Almost without exception the Prime Sponsors and subgrantees in our study had a director who was either appointed by the chief elected official or with the approval of the official or Board of Selectmen. Often the city manager was involved in the appointment. In all cases there is political involvement in the processes and funding decisions, although the degree varies tremendously. The attitude also varies, with some elected officials wishing that they never would have become involved with others making

---

[5] Recently, the RDOL has issued a memorandum which clearly defines what is meant by "economically disadvantaged." This should ease the problem of eligibility determination.

concerted efforts to fulfill promises to the disadvantaged and unemployed in their cities and towns. In this area, more so than any other in this study, it is impossible to generalize. Even the anecdotes of abuses and cooperative constructive efforts will not be useful to the reader, as they have all likely heard enough from the media or other reports.

Within Eastern Massachusetts, we found that the larger the city, the less likely the chief elected official will become involved in anything other than basic goals and policies of the CETA program. There are exceptions which usually occur when there is a crisis of some sort. It is also true that since the inception of CETA, the elected officials, in all sized cities, have become more interested in manpower programs as their control and involvement became more than an advisory perfunctory role, as it was prior to CETA.

Organizationally, CETA can become a problem in the larger cities where the elected officials cannot keep a close hand in the operation, but do like to know what is going on. This, of course, creates yet another "boss" for the CETA director (in addition to the MPC, RDOL, and in the BoS, the Prime Sponsor director). It is fair to conclude with reference to the Title I programs that the involvement of elected officials has not created any special problems which could not be overcome with time and experience, especially given the monitoring function of the RDOL.

As mentioned earlier, the PSE portion of CETA created an altogether different situation. In Massachusetts there was a desperate fiscal crisis in the vast majority of the cities and in the state as a whole. City governments were, as usually, the first targets of complaints as the property tax rate rose. The elected officials saw PSE monies as a way of easing the financial problems by keeping on employees and/or not cutting back services. However, the RDOL and some Prime Sponsor personnel vigorously tried to enforce "maintenance of effort" provisions of the law.

The complicated history of the evolution of the regulations concerning maintenance of effort is not worth repeating in this report, but suffice to say that the Prime Sponsors and subgrantees within Massachusetts were in the midst of the controversy. It is easy to understand the positions of the elected officials, given that unemployment was rising very rapidly and the

provision of federal funds to take up some of the slack was very tempting. One of the authors of this report was, during the initial year of Title VI working within the state office responsible for the BoS. Subgrantee regional coordinators reported abuses and investigations. Although no criminal charges were filed, the threat was very real. As the problems of the initial year eased and the regulations and guidelines became more clear, the number of abuses cited by the regional coordinators dropped substantially.

However, the problem still remains that there is often a connection between the provision of PSE jobs and elections. PSE jobs are one easily accessible tool for providing or keeping up services and for taking care of those who are connected in some way with the administration. The initial eligibility rules were so loose that virtually anyone unemployed could qualify for a Title VI job. This situation has been, at least in part, corrected with the new more strict regulations. Also, with the additional funds forthcoming, the most obvious abuses (such as the hiring of a brother-in-law for a "gofer" job in city hall) will be much less likely. Further, even if there is rehiring of those who were laid off, this is not necessarily a loss, but maybe just a leakage of the funds. If the PSE money prevents a tax rise, this is a positive achievement even if not within the set of goals and priorities of the CETA legislation.

The field researchers have discussed the issue of PSE with some of the Prime Sponsor directors and a few of the elected officials. Some expressed the opinion that it would be better if the federal government were completely responsible for countercyclical employment programs such as PSE. The political heat would be off of them if they could say that it was no longer within their jurisdiction. This is an option that should be seriously considered by the lawmakers. Title I and Title II programs are two entirely different programs than Title VI (PSE), with different purposes, target groups and time frames. One set is targeted specifically at those with labor market disadvantages and the other a countercyclical measure.

The use of political influence is a possibility under any service delivery system, be it municipal, state or federal. The major question is how to minimize the misuse. We believe that federally-funded and run countercyclical programs may be the best route to take. But if the operation

remains at the local level, we would recommend an ombudsman to perform the compliance functions so as not to jeopardize the already fragile relationship of the FR and the RDOL with the Prime Sponsors and their corresponding elected officials.

D. Coordination of Employment and Training Programs

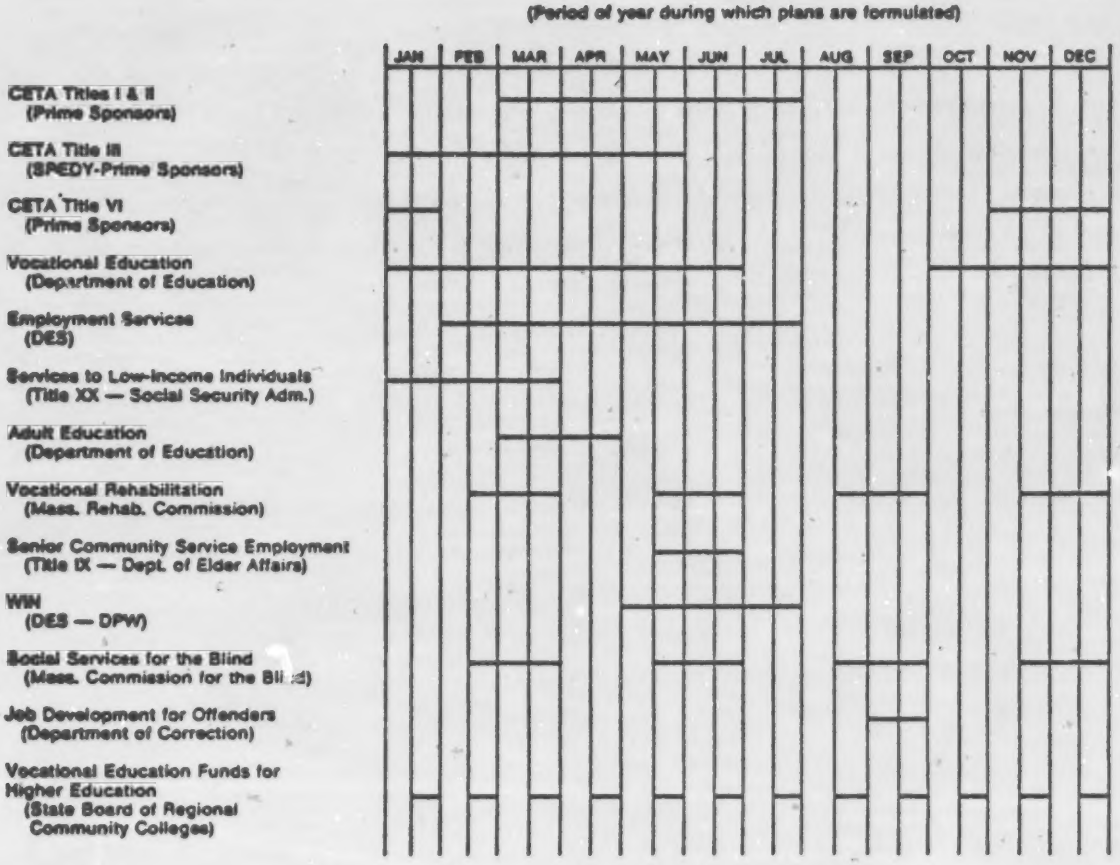
Although it is the largest of the federally-funded employment and training-related programs within the state, CETA is by no means "comprehensive". Myriad agencies and offices provide employment and training services to residents of the state: Division of Employment Security-WIN, Department of Public Welfare - Title XX and WIN, Department of Corrections, Division of Occupational Education, and the Massachusetts Commission for the Blind, to name a few. Part of the CETA mandate is to offer a forum where locally-offered services can be coordinated, if not programmatically, at least in the comprehensive plan.

The goal of coordinating employment and training services is questioned by very few as it is obviously more efficient for both clients and administration if there is no duplication of services and few overlapping bureaucratic procedures. Despite the consensus that coordination would be good, it has turned out to be an especially elusive goal, partially the result of vested interests of the organizations which have historically delivered certain services to specific populations and partially because there has been no strong push at the state and local levels to accomplish the goal.

The SMSC has taken the lead role in moving toward coordination of the incredible variety of public and private employment and training related programs. Table 1 shows the array of programs and target groups operating within the Commonwealth. A quick glance over the table immediately brings out the magnitude of the coordination problem faced by the SMSC which has been designated under CETA regulations and by the Governor as the official review and coordinating agency for the state's programs.

The SMSC has taken strides in leading in coordination by formulating the "Governor's Employment and Training Plan" -- a document which should provide the policy and procedural information upon which the state agencies and localities can build their programs. Also, the SMSC has the

Table 1. Program Planning Cycles in Massachusetts


(Period of year during which plans are formulated)
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
CETA Titles I & II (Prime Sponsors)
CETA Title III (SPEDY-Prime Sponsors)
CETA Title VI (Prime Sponsors)
Vocational Education (Department of Education)
Employment Services (DES)
Services to Low-Income Individuals (Title XX — Social Security Adm.)
Adult Education (Department of Education)
Vocational Rehabilitation (Mass. Rehab. Commission)
Senior Community Service Employment (Title IX — Dept. of Elder Affairs)
WIN (DES — DPW)
Social Services for the Blind (Mass. Commission for the Blind)
Job Development for Offenders (Department of Correction)
Vocational Education Funds for Higher Education (State Board of Regional Community Colleges)

Governor's 4% and 5% discretionary funds (under Title I) to use as the "carrot" of coordination. However, this "pot" of funds is just not large enough (nor should it be) for the SMSC to be able to demand coordination. Furthermore, there are no sanctions for noncoordination. As part of the Governor's manpower plan there are a series of recommendations for the facilitation of coordination.

On a state level the SMSC has recommended that they be given authority to scrutinize and comment on all employment and training plans formulated within the state, that DOL and HEW take steps to insure that plans prepared by other agencies in the state "fit" with the SMSC recommendations and their coordination mandate, and that the SMSC take the lead in drawing up coordinating agreements among state and local agencies. Although rather ambitious in these goals, the SMSC effort clearly is the necessary first step.

Local coordination will be a more difficult problem, but here too the SMSC has taken the first step of recommendations for facilitating coordination and accountability. The most important of the recommendations centers on the consolidation of localized planning councils, many of which have the same clients and members. For example, recent changes in the Vocational Education Act mandate local councils. This is clearly an area where the councils should be merged or at least coordinated with the MPCs.

On a practical level the coordination of services by CETA has proceeded the furthest in the Division of Employment Security and the Vocational Education facilities. DES, already jointly operating the WIN program with the Welfare Agencies, has arranged to coordinate at least some of its services with all of the Prime Sponsors in the state. The RDOL ahs consistantly urged that the DES carry out the same activities that it did prior to CETA so that there is no duplication of effort. In principle, the DES-CETA coordination is easy, but as performance reviews and cost effectiveness studies are done, some of the prime sponsors have balked at automatically giving the DES responsibility for placement or OJT contracting. In the case of EMHRDA, the dispute was so intense that the RDOL had to "mediate" and hammer out an agreement on funding, PSE slot assignment in DES offices, and the organization of DES employees outstationed in CETA offices.

Another problem area for coordination efforts is the fact that virtually none of the various employment and training related programs share the same planning and service delivery boundaries, nor is there any commonality in the submission dates for yearly plans. Thus, plans for vocational rehabilitation program planning goes on in the fall, while CETA planning (possibly serving some of the same client groups) proceeds through the spring and summer.

In sum, the idea of a one-stop comprehensive delivery service for aid to the needy and disadvantaged and the notion of overall coordinated planning for employment and training programs has yet to come to fruition. It is an extremely difficult task, given the wide variety of programs in both the public and private sectors. Strides have been made and the continuing efforts of the SMSC in this area is expected to make at least marginal positive changes.

4. THE PROCESSES OF CETA

The basic purposes of CETA is to offer services and jobs to those in U.S. population who are willing to work but unable to find an appropriate job either because of lack of training, institutionalized discrimination or cyclically-related scarcity of job opportunities. The letter and intent of the CETA legislation concentrates on the needs of individuals, specifically those who are economically disadvantaged. The processes whereby the Prime Sponsors identify the needs, plan programs to fit those needs, coordinate them with the needs on the demand side of the labor market, and effectively and efficiently administer the programs, is the subject of this chapter.

The processes of CETA are as varied as are the needs of clients and the personalities and preferences of the local government officials and their appointed directors of operations. Within certain legislative and regulatory parameters, the Prime Sponsors have a large amount of discretion relating to not only how they plan and organize the delivery, monitoring and evaluation of services and employment offered, but also in how they set up the administration of the program. The guidelines provided by the Congress and expanded in the form of regulations by the Department of Labor offer considerable latitude to the Prime Sponsors. This is not surprising, because a program as complicated and far-reaching as CETA cannot have explicit regulations that apply to each and every program and Prime Sponsor. Indeed, the spirit of CETA is to allow them to determine their local needs and respond to them with a series of ameliorative programs deemed in the best interests of those in the area served.

Process evaluation is by definition a subjective venture. Few generalizations are possible and the closer one examines Prime Sponsor operations, the more clearly the uniqueness emerges. Nevertheless, discussion of areas where our research has found strengths and weaknesses in the processes of CETA may aid in the prevention of future mistakes and can serve as examples for administrative adjustments of CETA or, possibly, legislative reformulation of the administrative, monitoring, control, and operations of Prime Sponsors.

The first section of this chapter concentrates on an assessment of the efficacy of the planning councils in the areas studied. The following

section briefly provides illustrations of the activities and effectiveness of the staff planners and the documents they produce and submit to the Regional Office of the Department of Labor for approval.

A. Planning CETA

The demand for localized manpower planning was not a product of the CETA law, but rather was the major force behind its passage, as we have noted earlier. There are three major sets of actors involved in the planning part of the programs and service delivery to the clients of CETA. The overall policy makers are at the top of the pyramid because they set the goals and priorities either broadly or specifically (within guidelines and regulations set out by the Department of Labor) which must then be taken into account by both the planner(s) within the local SETA offices and the advisory bodies associated with the Prime Sponsor, usually called Manpower Planning Councils (MPCs). Federal regulations also call for the formulation of a state body to oversee the implementation of CETA--The State Manpower Services Council. In Massachusetts, as in other states with a "Balance of State" Prime Sponsor, the Governor is responsible for both the SMSC and the BoS, especially in reference to overall policy and planning guidelines.

This section first discusses the role of the governor and his designees in formulating overall policy goals for the BoS and the SMSC operations. Secondly, the role of the MPCs is reviewed for those Prime Sponsors. Thirdly, the role of the planners and planning process is discussed.

Policy Goals in Massachusetts

The Governor is responsible for the formulation of the overall economic development program and goals for the Commonwealth, as well as for the more specific goals and programs of the SMSC. The former evolves as part of the overall economic development plan for the state and the latter through the policy statements and report of the SMSC, located within the State Office of Economic Affairs. The broad document issued by the Office of State Planning[6] contains little in the way of useful information or guidelines for the CETA

[6]Michael S. Dukakis, An Economic Development Program for Massachusetts, August 1976.

planning bodies, although the appropriate discussion of the mismatch of skills with existing jobs, lack of transportation for access to major employment centers, and insufficient information is included. It does however, if only by virtue of inclusion, point to the need for more effective and efficient delivery and planning of training and employment related services to those citizens of the state who need them. From this general policy the SMSC must then formulate its overall policies and guidelines for the state Prime Sponsosrs. Actually, experience has shown that the Governor has little time to devote attention to the operations of CETA unless there is some specific "hot topic" which draws his attention or that of his Secretary of Economic Affairs.

Within the Office of Economic Affairs for the state there is an Assistant Secretary for Manpower Development who is officially responsible for the Balance of State Prime Sponsor, the SMSC, and the Office of Research and Development. The relationship with the BoS and the R and D unit will be discussed later in the report. The SMSC appears to have a great amount of latitude in terms of its planning, policy formulation, and program selection (Governor's 5% and 4% of Title I money) and the director, appointed early in 1976, has taken many positive steps in placing the role of the SMSC as close as possible to its legislatively mandated goals. This progress is due both to the personality and enthusiasm of the director and the encouragement of the Assistant Secretary. The SMSC has gone through a series of reorganizations since it inception, the most radical due to the election of a new governor and subsequent appointments of new officials to run the department.

In January of 1976 the SMSC laid out its goals in reference to the review process and stressed the coordination of data analysis and the consistency of the Prime Sponsors' plans with the overall labor market and economic development goals of the state.[7] The inputs of the SMSC into the planning process of the Prime Sponsors got off to a slow start due to their reluctance to conform to yet another time-consuming review process. However,

---

[7]"Statement of Objectives," Massachusetts State Manpower Services Council, January 1976.

this appears to have been corrected by the SMSC appointment of one staff member to each Prime Sponsor to follow the planning process from beginning to the date of submission to the Department of Labor. Not only has this appeared to ease the resentment, but it has facilitated the use of the most careful and detailed labor market research being done in the parallel office of Research and Development within the Office of the Assistant Secretary for Manpower Development. Consequently, there should be more coordination among Prime Sponsor plans and no surprise objections to a plan from the SMSC at the last minute. Clearly, the efforts of the SMSC will provide a payoff in terms of adding some analytical creditability to the plans as well as providing some coordination.

In addition to the direct input into the Prime Sponsor planning process, the SMSC is formulating an overall manpower development plan for the state. At the time this is written, the plan is in draft form, but first reading suggests that it contains good data, data analysis, and overall, is a very practical document. Hopefully, it will be utilized by the Prime Sponsor staffs and the various Manpower Planning Councils (MPCs). One important area mentioned in the SMSC document is the "demand" that the Prime Sponsors explain exactly how they will coordinate efforts with the Division of Employment Security (DES), which runs the public employment service and pays out unemployment benefits to those eligible.

The major problem with the SMSC has been how to exercise influence without enforcement power (a question discussed in detail with respect to the MPCs). The only funds directly under SMSC control are the 5 percent and 4 percent discretionary fund under Title I. This is not a large enough pot of money that it could be used to threaten recalcitrant Prime Sponsors. Consequently, the SMSC and the Office of Manpower Affairs have utilized both persuasion and the selling of their usefulness in providing technical expertise and aid in the development and utilization of data. This tactic is really the only route available to the SMSC given the regulation governing its activity.

Once the overall policy and pragmatic guides are presented by the SMSC to the Prime Sponsors, the stated priorities must then be taken to the Prime Sponsors own planning body--the MPCs. The MPCs are then the fourth in the

line of "policy" advisory bodies operating within the networks: (1) The Department of Labor and the Regional Office of the Department of Labor; (2) The Governor; (3) The State Manpower Services Council; and (4) The Manpower Planning Councils. The BoS subgrantees have yet a 5th "policy" group--the BoS mandated Area Manpower Planning Boards (AMPBs). It is worthwhile to note that the only sanction available to the planning bodies, when Prime Sponsors do not comply with their wishes (or regulations), is the ability of the DOL-RDOL to withhold funds. This "sanction," of course, would hurt the clients, not the Prime Sponsors except possibly indirectly through the political process. The next section discusses the activities of the various MPCs we studied over the three-year period.

Manpower Planning Councils (MPCs)

The passage of the Economic Opportunity Act with its programmatic concentration on pockets of poverty and deprivation within the U.S. brought initial attention to the efficacy of local labor market and manpower planning. As the concept of local manpower planning has developed through a series of informal administrative dictums and formal programmatic institutions, it has proven to be the most elusive of the goals of manpower and poverty programs. Planning goes on within any organization, albeit tacitly and without formal structure in many. Often, planning is confused with an analytical approach to program administration. Real planning is, however, much more than simply laying out planned services and identifying client groups. Coordination is the key once the priorities and policies have been laid out for the planner to use. A good manpower planner must be a jack-of-all trades in that he/she must have a fundamental understanding not only of the economics of the labor market on the supply and demand side, but must also have a keen awareness of the needs and priorities of client groups and of the political and administrative forces which can be the pivot upon which the successful implementation of a plan turns.

The present system of Manpower Planning Councils has its roots in the Concentrated Employment Program (CEP) and the Cooperative Area Manpower Planning System (CAMPS). CEP was styled after a successful experimental program run in Chicago called Jobs Now which involved a comprehensive,

multi-service, client-centered approach to employment and training problems. Virtually every aspect of the "manpower" bag of tools was offered through this program. Each project would have a prime sponsor who would be responsible for all services or contract all or part of them out. This was the kernal of CETA.[8] Originally, there were 19 CEPs, but this quickly became quite popular and by 1970 there were over 70 of them operating nationwide. Most of the CEP projects were housed in Community Action Agencies and the problem with the DES plagued their success; however, the experience gained in the ghetto-located CEP offices provided valuable experience in the coordinated delivery of manpower services.

CAMPS, initiated by the Manpower Administration within DOL, was designed to create a planning structure at the area, state, regional, and national level. CAMPS provided a forum where program operators could get together as well as an overly ambitious planning scheme which was to have sub-state planning committees draw up plans and submit them to the state CAMPS committees which would then in turn submit it to the RDOL. The RDOLs would synthesize a national plan to submit to the DOL in Washington. This process never really worked well due to several inconsistencies such as the fact that the regional DOL offices were funded by categorical programs and this undercut any local coordination and consolidation attempts. Further, Presidentially-planned budget figures were usually different than Congressional appropriations and not all manpower programs were included in the CAMPS process. The Nixon administration recognized that CAMPS was not working well and made "corrections" in the system which were the forerunners of the presently operating CETA system. Funds were provided to hire

---

[8] It is interesting to note that the problems of coordination of CEP and the Employment Service began as the CEP program was implemented. The "dispute" over who was to be the "prime sponsor" in a city or locale was compromised with the OEO given the "presumptive" right to be the prime sponsor and the ES given the "presumptive" right to deliver training and placement services under subcontract. As will be illustrated later in the report, the problems of coordination and cooperation between the EMHRDA and the Massachusetts DES were a deja vu for those familiar with the history of CEP.

professional planners and the political officials in the CAMPS jurisdiction were given the authority to preside over the CAMPS committees.

During the last few years prior to the passage of CETA there remained several obstacles to the effective implementation of localized planning and delivery of manpower services. The federal role was very strong in terms of funding, guidelines and monitoring and the various categorical programs worked against coordination at the local level. After several years of compromise and the threat of "administrative decentralization"[9] Congress finally, in December of 1973, passed CETA which decategorized the programs and provided for the planning and management of localized programs under the aegis of the locally elected officials. CETA's structure was not a total victory for the "new federalism" in that several Democrats on the House and Senate Labor Committees in conjunction with the AFL-CIO (and some DOL administrators) managed to keep the federal government involved with the responsibility to review and approve the plans drawn up by the Prime Sponsors. Each Prime Sponsor much appoint a Manpower Planning Council with advisory powers to review the yearly plans, monitor and evaluate programs.

More specifically Section 104 of CETA provides for the Prime Sponsor to create a planning council with broad based representation, including client group representatives. In addition, the Prime Sponsor is to provide the MPC with professional, technical, and clerical staff to aid the MPC in review, approval, and evaluation functions. Section 104 concludes with caveat that the Prime Sponsor will make final decisions. Clearly, the federal lawmakers intended the MPC to have only advisory responsibilities. This was reinforced by the DOL's regulations which were written in such a way that the provision of staff to the MPC by the Prime Sponsor was an empty responsibility.

In March 1975 the Assistant Regional Director for Manpower sent a letter to all Prime Sponsors in Region 1 and advised them that the MPCs should have an active role in making policy and that the Prime Sponsor should supply them

---

[9] Prior to the passage of CETA the DOL had gone far along in formalizing the plans for a fallback position to administratively decentralize the planning and management of the manpower programs just in case the Congress did not pass a bill acceptable to the Administration.

with staff support.[10] This letter seemed to modify the legislative provisions of CETA mentioned above, but it was intended to encourage Prime Sponsors to effectively use the MPCs. The following is a short description of the evolution of MPC activity in the Prime Sponsors studied.

Balance of State

Almost 60 percent of the total CETA activity in the state operates under the aegis of the BoS and its 18 subgrantees. The size and geographic dispersion make the planning processes more difficult as the needs of clients in the primarily rural western end of the state are very different from those of some of the subgrantees bordering on Boston. Initially the MPC was setup to include 2 members from each subgrantee and ten additional members from client groups, business, labor, and community-based organizations. Problems began immediately with the subgrantees each protecting their own interests and showing reluctance in cooperating with the other human service agencies within their area. Some of the problems stemmed from the autonomy of program operators in some of the pre-CETA categorical programs.

In its first year of operation the MPC was chaired by the director of the BoS Prime Sponsor, who could dismiss members if she wished to do so. Eventually, she stopped being chairperson and was simply a member. Finally, she stepped down as a member but still attended meetings. As it turned out this was a wise action since the role of the MPC was intially perceived as an overseer of policy and programs and the director being chairperson was inappropriate. In general, there was little interest in the Council as as shown by an attendance figure of roughly 33 percent over the year and the fact that the first meeting was so unstructured that several members resigned immediately. The MPC did, however, take two steps in the first year to try and "make its mark." First, the MPC asked the AMPBs (the planning and advisory arm of the subgrantees) to bring the minutes of their planning meetings to the regular MPC meetings with the idea of coordination of the overall planning structure of the BoS. This was a valuable action although

[10] Letter from the Assistant Regional Director for Manpower, Region 1, U.S. Department of Labor, date March 25, 1975.

initially resented by the AMPBs. It opened the way for coordinated planning. Secondly, the MPC asked that a certain portion of the BoS Title I funds be set aside for "innovative" projects and programs.

Some of the problems and mistakes of the first year of MPC activity brought changes in its structure, with the membership shifting away from dominance by the subgrantees to a broader base of community-based organization and other interested parties. Some of the members who had remained on the council after the reasonably ineffective first year began to take a more active role in planning. Subcommittees were set up, the most important being the program and evaluation committee (P and E).

By the 1977 planning cycle, P and E committee began to take a very active and concerned role in the process. Their activities included site visits to the subgrantees and a careful appraisal of each subgrantee plan. As a result of the overview process 5 of 18 plans were labeled "unsatisfactory" and discussed extensively in the MPC meetings. One plan was bad enough, in the opinion of the subcommittee, that they recommended that the subgrantee be dedesignated, i.e. not funded and its operations turned over to the adjoining subgrantee. The subgrantee in question had already lost responsibility for operation of its Title I programs (which were turned over to the neighboring town) and this recommendation was going to take away the Titles II and VI monies. The Prime Sponsor director discussed the recommendation with the regional DOL and came back to the MPC to indicate that the DOL said it was necessary to prove "gross mismanagement" to dedesignate. The director commented that the process would be "very difficult." The mayor of the city in question then made come concessions by cutting the size of the CETA staff. The Prime Sponsor dropped all discussion of cutting off the funds. The members of the MPC who were involved in this were quite angry as they had put in a good deal of time and effort in their role as reviewers which did not result in Prime Sponsor action as recommended.

Immediately following the above incident the Prime Sponsor was notified that the DOL had allocated an additional $5 million for Title I programs. Just prior to this notification, the MPC had approved the total Prime Sponsor plan for the next year. Consequently, the additional money had to be worked into the plan as a "modification." The Prime Sponsor asked the MPC to have

input into the decisions on the new funds, but at the same time was going ahead with its own plans for distributing all but a portion ($240,000-$700,000) which was to be used to hire consultants to do specific projects. The P and E subcommittee asked for justification and unsatisfactory information was provided. Finally, the Prime Sponsor dropped the amount they withheld for consulting uses to $240,000 and the remainder was distributed to the subgrantees. The MPC would not approve the consulting and distribution plan but the modification was sent to the DOL without their approval. Again, the MPC members were angry at having no influence. A team member's attendance at the MPC meetings left the impression that both sides of this issue had validity. The Prime Sponsor director believed that her decision was the most appropriate and she really did not have to abide by the MPC recommendations.

An example of productive cooperation between the BoS Prime Sponsor and the MPC is illustrated by their effort in surveying the AMPBs of the subgrantees in order to draft guidelines for AMPB work. The irony here is that the MPC did have formal control over these guidelines (it was given the responsibility by the Prime Sponsor director). Thus, the AMPBs were in the same position that the MPC usually was in--an advisory body with no power. The MPC had final decision-making power.

To further pursue the relationship of the MPC and the Prime Sponsor, we surveyed the membership of the BoS council. Of the 22 questionnaires sent we received useful responses from 13. The consensus was that the impact of the council had changed for the better since they had begun work with it, although virtually all had one or more complaints. The majority wanted more power to police and monitor the operations of the Prime Sponsor, more staff support and less of their time spent in what they considered to be regular Prime Sponsor staff functions. Overall there appeared to be a great deal of frustration on the part of the council due to their powerlessness. This perception is quite true in light of the loosely written legislation. For example, the staff person assigned to the council is in fact ultimately responsible for pay and promotion to the Prime Sponsor director. This puts this employee in a tenuous position when asked straight questions about internal Prime Sponsor operations and priorities.

Lowell and New Bedford[11]

The first planning round under CETA in Lowell was conducted by the already in place AMPB under the directorship of the present CETA director. The makeup of the AMPB carried over into the MPC after CETA, although the central role of the Lowell Model Cities agency was tempered under CETA, it was still important. Initially the small communities in the Lowell Prime Sponsor did not take an active part in the planning process, but as the Title VI money came available the interest level increased dramatically and has remained high. There was little if any client representation on the initial council and this is still a problem in Lowell.

The CETA director, who was named by a local newspaper as the "godfather" of manpower in Lowell, laid excellent groundwork in a low key fashion, thereby gaining the respect of those in both the program and MPC portions of the Prime Sponsor. He managed, in the first year, to get the MPC established as the center of policy discussion and review. In fact, the MPC's preference for OJT programs was influential in changing program emphasis in this direction. There were really very few programmatic changes in the first year, but at a minimum the categorical operators were forced to defend and justify their program decisions.

In the second year, procedures were set up in both Lowell and New Bedford for sending information to the MPC members prior to the meeting. In Lowell virtually no non-voting members have attended the meetings while the opposite is true in New Bedford. The latter related to the dissatisfaction of some minority groups in the area with the attention given to them in the program mix (Cape Verdians). In both Lowell and New Bedford, the average attendance at the MPC meetings was in the 50 percent range, although the CETA staff took great interest in attending in Lowell (at the urging of the Prime Sponsor director).

The subcommittee structure of the New Bedford MPC was suggested by the federal representatives (FR) and appears to have worked positively. A job demand survey was asked for by the new subcommittee and was obtained.

---

[11] We did not have a researcher assigned to New Bedford during the FY 1975 planning and program cycle.

Presently, the results are being incorporated into the New Bedford plan. Further, more ESL programs and employer visits to training facilities have resulted from MPC recommendations.

During the planning cycle for FY 1978 the roles of the MPCs in both Lowell and New Bedford have "settled." There are contrasts in the structure and function of the MPC in the two cities which have remained since the inception of CETA. The director in New Bedford is more autocratic and, according to the MPC members, often simply reads to them program and policy decisions already made, while the director in Lowell tends to rely on and follow the advice of the MPC members. For example, Lowell received an additional $500,000 in Title I funds last year. The director immediately asked the MPC to review and prioritize 17 different proposals for use of the money. The voted decisions were adhered to by the director. On the other hand, in the New Bedford Prime Sponsor friction was created when the DOL Field Representative, in conjunction with the New Bedford chief planner, strongly suggested changes in the monitoring and policy-making functions of the MPC. This action resulted in the dismissal of the planner and little change in the policy and review procedures.

It should be pointed out that the structure of the Prime Sponsor may account for the different roles of the MPC. In New Bedford the programs are run directly by the Prime Sponsor, while all programs are subcontracted in Lowell. Thus, the Lowell director is not a program operator and may, therefore, be more willing to be flexible in policy and programs, while the New Bedford director may be acting in a more protective manner of "his programs."

The Cambridge Consortium--EMHRDA

EMHRDA, too, has its roots in the CAMPS framework when these five communities contiguous to Boston came together for purposes of establishing a comprehensive manpower plan for the area. The five communities, as pointed out earlier, are very different in terms of their economic structure and the demographics of the potential CETA client population. There is, however, a commonality among the cities, as noted earlier. The CAMPS operation was founded in an air of confusion and strife with the Department of

of Labor in that their original CAMPS plan did not integrate well into the rest of the state plan. EMHRDA is headquartered in the Cambridge City Hall with each community represented on the Board of Directors and offices located within each of the communities. The Board is appointed by the chief elected official from each town. Initial formulation of the MPC came at the initiative of the Board although it immediately drew criticism from the RDOL for not having the appropriate business and client representatives. Its initial composition was the Board plus program operators associated with the previous categorical programs. In the intitial planning cycle the MPC had 40 members who, if they attended the meetings, gave pro forma approval to the recommendations of the Board. After the dispute with the RDOL over the makeup of the MPC, the first programmatic skirmish came when the Board insisted that the MPC only could be involved in the Title I program and not the PSE portion. After a series of letters and confrontations the Board agreed to allow the MPC to get involved in the PSE slots.

During the second year of planning the attendance at the MPC meetings was about one-third of the entire council, with those showing up usually having a specific stake in the problems or policies which were scheduled for discussion. The structure of the MPC was such that their was no real line of authority between the MPC and the Board of Directors or the staff of the CETA offices. The MPC has not been able to control either its budget, membership or staffing and was dubbed by the field researchers as a vacuous body. The program planning and evaluation, and structure and organization subcommittees did not take hold as they were completely dependent on the staff support offered reluctantly by the Board and the CETA staff. Little or no evaluation or monitoring was done in either of the first two years, due partially to inertia and the lack of any kind of operating MIS system. The staff director to the council resigned in 1975 and no one was hired to replace her until much later on. This was due to a controversy about the chosen person's eligibility to be hired under the provisions governing the Title VI PSE slots. Much frustration was experienced by the MPC members when they saw the Board having almost full control (as the policy arms of the chief elected officials) and the MPC having little or no influence. The Board was also reluctant to fund the activities of the MPC from the regular

CETA budget. Our research report, completed after the planning round for the FY 1977, concluded that the linkages between the MPC and the EMHRDA units were not effective.

Planning for FY 1978 and changes during FY 1977 brought considerable changes in EMHRDA, due primarily to the staff person hired to provide good linkages between the MPC, Board of Directors, CETA offices and the RDOL. Since December 1976 the attendance at meetings and the level of discussion has improved considerably; however, there are still no evaluative services offered by the MPC. The present chairman of the MPC sees its role as a "place where people can come and scream when they have complaints." He then would take those complaints to the appropriate parties and see what could be done about them. The present chairman also urges the members to express their preferences and complaints in writing so that they can be considered beyond the moment they are being offered.

Although the MPC now seems to be moving in the direction of the spirit of the law as well as the letter, there are several problems remaining. First, there are still communication problems with the central staff and the Board. Secondly, there are still at this writing no really effective evaluation efforts going on, with little in the way of change after the plan has been filed with the Regional Office of the Department of Labor. The time requirements of the MPC members are a hindrance in that they are all full-time employees in manpower-related occupations and cannot attend the number of meetings which seem necessary to solve the incredible number of problems which have come up in this consortium. A positive note is the fact that a new director was recently hired for the whole consortium who appears to believe in the value and usefulness of the MPC and will likely aid in the continuing effort to make the EMHRDA council a valuable and effective piece of the CETA operation.

CETA Staff Planners

Before summarizing the findings on the MPCs, it is appropriate to briefly discuss the role and function of the staff planner(s) in the CETA operation. As pointed out earlier, the planner may be the most important person in the CETA operation. The director of the Prime Sponsor is

ultimately responsible for the decisions and the overall plans, but our experience shows that the director simply cannot devote the time and effort which would be necessary to carefully scrutinize the plan. The same, of course, holds true for the MPC members and other concerned parties. The planner must not only understand the labor market analysis and data available but must also be able to carefully integrate this information with the institutional and sociological constraints and priorities of the clients, program operators and political officials.

Over the three-year period of CETA implementation, we have observed multiple problems in reference to the planner(s) who report directly to the Prime Sponsor director. Turnover has been high in a position where continuity and experience are important. Often a good planner will be offered positions at other Prime Sponsors (or state subgrantees), while the less well-trained planners will stay in positions where their effectiveness has been minimal. In one case, we found that an effective planner who pushed for client and community inputs into the programmatic selection process, at the urging of the Regional DOL Field Representative, and for careful evaluations for adjustment of the programs, was dismissed because he pressed the political officials to adhere to the collective recommendations of the MPC and evaluation and monitoring results. In another case a planner simply "had" to resign after two frustrating years of being told the results of his heroic efforts would be adhered to, while he observed wholesale changes with no apparent justification. Further, both of these planners had connection with the MPCs, but at the same time were responsible for salary and promotion to the CETA director.

Another example will serve to clarify the problems of planners within CETA. After frustration with due dates and lack of staff support, the BoS contracted the planning function to a consulting firm (for the FY 1977 plan). This was done at considerable expense and resulted in a final document which was acceptable to the RDOL, but clearly not innovative or ground breaking. It also served to delay the needed independence and development of the planning staff within the Prime Sponsor. If aid is needed while the Prime Sponsor gears up to prepare their own plan, the aid should be provided by the RDOL, not high-priced consulting firms.

It is extremely difficult to recommend how the chief planning position within CETA can be made more commensurate in status and pay with its importance. Suffice to say that the planner should be positioned in the office of the director with high status and significant input into final programmatic decisions. The pay level should be commensurate with the importance of the job.

Summary of Section A

Neither the law nor the regulations clearly define the role of the MPCs or the AMPBs. The MPCs are only an advisory body and it is not possible for the MPCs to become effective discussion arenas if the decision and policies they recommend are not listened to by Prime Sponsors. Council members are usually either connected with or proponent of a certain program or are involved because they are community leaders or experts in the field. The former group can be expected to speak the loudest and most clear when the discussion turns to "their program." On the other hand, the interested parties who are not connected with a certain program become the most frustrated as the process of participating in MPC meetings and reading the information sent to them is time-consuming and often results in little, if any, changes in the overall programs and policies. Further, if there is no staff person directly responsible to the MPC members there will always be loyalty conflicts with the staff assigned to work with the council.

In order to prevent the frustration and make the MPCs viable and useful participants in the CETA processes, the following recommendations should be considered:

(1) Make the councils financially independent with a certain portion of the Title I money. They would therefore be able to hire their own staff and clerical help. The staff person(s) must be objectively separated from the director of the Prime Sponsor.

(2) Expand the RDOL training sessions for MPC members and possibly provide financial incentives for members to participate.

(3) Requiring an MPC report on the overall plan with minority reports, if necessary, prior to submission to the DOL.

(4) Consider changing the regulations to all the MPCs to have veto power over the overall plan. This is clearly within the spirit of the CETA legislation as it will provide a check on whether the programs and policies are really responding to the needs of the community as perceived by a broad based group rather than the chief elected official(s) or their designated Prime Sponsor director.

The MPCs as presently operating are not totally effective bodies for injecting local input into the expenditure of CETA funds. They often are what the Prime Sponsor wants them to be and this may vary from issue to issue as well as from Prime Sponsor to Prime Sponsor. The solution to this problem is not easy or obvious, but the above recommendations should be seriously considered.

B. Labor Market Information and Utilization

The effective and efficient utilization of the limited resources available for employment and training programs relies, in part, on the availability of good data and the expertise of manpower planners to translate the data into useful information for planning and development. Occupational forecasting remains an inexact science. On the supply side of the labor market, we are able to gather reliable and complete information only once every ten years via the decennial census. Labor demand, on a micro level, is equally as difficult to produce within a short time frame.

Labor market information is generated by myriad public and private organizations, but is often incompatible across geographic boundaries, time spans and employer types. Ideally, CETA Prime Sponsors should pay attention to the geographical area beyond their official boundaries, although at the same time there is little incentive for them to plan for and place trainees, OJT participants, or apprentices in firms outside of their jurisdictions. Indeed, there are "turf" issues in CETA which may work against planning and placement by labor market area because the programs are run in accordance with political boundaries. This holds true on both an inter and intrastate basis.

There have been numerous guides produced by the DOL and other agencies connected with CETA on how to utilize the data available in formulating a

CETA planning document. However, structured schemes for labor market planning simply are not enough, since each firm or industry has its own way of recruiting and each person has his/her own way of looking for work and deciding on the appropriate training course and career plan. Thus, no matter how good the information available fits into the CETA plan, there is room (and definite need) for planners to become familiar with the present and potential employers within their jurisdiction.

The major resources available on the demand side of the labor market are the DES Job Bank employer surveys and projections. The Job Bank often suffers from a large proportion of low wage, high turnover jobs which often do not require specialized training. Further, only about 25-50 percent of the low and semi-skilled jobs are listed with the Job Bank even though there is a legal requirement that any firm with federal contracts list all its openings with the Job Bank. There are, however, no sanctions for noncompliance. Employer surveys often suffer from lack of knowledge and overoptimism on the part of the employers. Unless the employer surveys ask for specifics on connecting the training and OJT programs directly with the company, they are not of great use to the overall CETA plans. Projections may be useful, but are often flawed by erroneous assumptions and cannot take into account events which may occur (oil embargo, severity of recessions) and won't yield valid results for a labor market area unless a certain percentage of the jobs are within the jurisdiction. Further, it is extremely difficult to include accurate estimates on technological and productivity changes, especially for high technology industries such as electronics.

Resources on the supply side include the census, neighborhood surveys, DES data (ESARS) special surveys of U.I. recipients and projections on the number of individuals graduating from various training programs and licensing authorities. The census suffers from lack of detail and self-reported status while the DES data have good detail and classifications by DES experts, but do not address the issues of who will be available in the future (even 6 months ahead is difficult to assess). For example, in order to allow for planning, start-up and placement, a training program of 6 months duration must be initiated 12-18 months in advance of the projected need in the market. Further, there is little information available anywhere which assesses cross-occupational mobility which could be

accomplished with little or no additional training.

CETA contains language which mandates (with no sanctions or way to prove compliance) that the plan includes only training for jobs which are virtually guaranteed. Unfortunately the Prime Sponsors, due to time considerations and lack of good information, often fill the RDOL required forms with the data they feel are the "best" available. To remedy some of the problems, the State Office of Manpower Affairs has taken the lead, through the R and D unit, to lay out the available data and produce the aggregate assessment of state demand and supply, and to instruct the Prime Sponsors on how to incorporate good data into the plans. The procedures are well-integrated with the SMSC position of outstationing a technical agent with each of the Prime Sponsors to integrate the plans.

It is worth noting that two separate related efforts are underway which are related to the generation and utilization of labor market information. First, Professor Andrew Sum of Northeastern University has assembled a monograph for the RDOL entitled, "Labor Market Information from a User's Perspective: Data Inputs for CETA Planning Purposes," which is well laid out and contains an expanded list of data sources. It tells <u>how</u> to use the data. Second, Public Law 94-482 (Education Amendments of 1976) mandates that each state receiving funds establish an Occupational Information Coordinating Committee within the state. Massachusetts is well on the way of establishing this committee with one primary function being the generation of data on the supply side of the labor market. We look forward to its establishment and coordination with the already operating Massachusetts Occupational Information System funded by the Department of Labor.

The R and D unit of the SMSC has also argued for increased use of the program initiated under the SMSC whereby persons are trained in the skills outlined by a specific employer for a specific person. This scheme is similar to a "tailored voucher plan" where a prospective employee is given the "specifications" for the job skills and then finds (with CETA help) the appropriate training institution.

Beyond planning, the second area of most urgent and important data and information needs relates to the evaluation aspect of CETA's programs. Prime Sponsors do collect certain data to fill the RDOL requirements, but

very little beyond that. The long-run effect of the programs is difficult to assess even with all the appropriate data due to the overriding impact of the external environmental factors and the virtual nonexistence of a control group. However, the shorter term placement and earnings change data can be collected and utilized for assessment of the efficacy of one program versus another. This would be a valuable input into the planning change processes of CETA. However, once again, time constraints, lack of the development of an appropriate MIS, and lack of expertise has precluded in depth evaluations of the program impacts (Section V discusses the evaluations that were carried out by a research assistant on our staff).

Macro-national type evaluations are the most advanced in terms of techniques and execution but most important to program planners on the local level are the localized evaluations. Yet these are the least advanced in Prime Sponsors within Massachusetts, for several reasons. First, even within the state the external environments are so different that comparison of the outcomes in one area with those in another may be entirely inappropriate. The problems in carrying out evaluations in local environments, again, are availability and reliability of the external environment data (industry mix, employment expansion, unemployment rates, literacy differences, etc.). Program and policy choices may vary among Prime Sponsors, say with one taking a short look, while another may want to emphasize the longer-run economic development aspects. Consequently, comparisons of outcomes will be useless in the short run. Secondly, the target groups served under CETA vary widely even within the state; it is not appropriate to compare the results of a program with "creamed" clients versus a program that has taken clients who were (are) worst off.

Finally, statewide evaluations rely on averages and aggregations, which often are inaccurately reflective of the program results and, at worst, may be misleading. For these and other reasons the concentration of evaluative efforts under CETA should be at the local level utilizing micro-economic data. In order to carry this through technical expertise coupled with a good evaluation design and execution is needed.

The SMSC has taken on the task of setting up the appropriate evaluations for the Prime Sponsors. The first step was a series of small grants to each

to tie in with an academic institution in the area to do a longitudinal evaluation of the classroom training programs operating in the Prime Sponsor's area. Not all have responded as yet, but the prototype (in Boston) is well underway.

In short, the lack of data comparable in timing and geographic scope has hindered the evaluative efforts of the Prime Sponsors. Further, technical expertise has been lacking. The R and D unit of the SMSC has appropriately taken the leadership role in addressing the evaluation and data problems. By initiating the classroom training evaluation across the whole state they will aid in the establishment of a corresponding client information data base; something that should have been done through a statewide MIS system, but has yet to be implemented.

The final major issue in reference to labor market information is the lack of any data collected for expressed use in the CETA program(s). We would recommend that if the Prime Sponsors are going to maintain the strict geographic boundaries for the clients served, that there be come concentrated effort to collect data comparable to their own areas, especially with regard to the employers in those areas.

5. PROGRAMMATIC CHOICES WITHIN PRIME SPONSORS

Prime Sponsors are offered wide programmatic latitude under the CETA law and regulations. This flexibility clearly is within the spirit of the legislation, as it allows the Prime Sponsors to adjust their programs to best fit the area needs, in their judgment. For example, within Title I they may elect to concentrate all resources on OJT programs with minimal emphasis on classroom training. Also, a Prime Sponsor may (and some have) transfer the Title II or VI funds to Title I type "training" programs rather than the PSE programs explicitly mentioned under the Title II and VI authorizations. These choices depend on a variety of criteria, such as the economic climate, previous successfully-operated programs, and the priorities of the employers, planners and politicians involved in the processes.

Alternatively, the overall funding levels offered to the Prime Sponsor are determined by a formula set up by the national office of the Department of Labor and are inflexible. The Secretary of Labor may utilize his discretionary funds for "makeup" purposes if the formulae, in his judgment, do not allocate the funds equitably. This tactic, however, is not often used and, in any case, the discretionary funds are not enough to make up for what has been described as a "redistribution to the suburbs" under CETA.

This chapter briefly discusses the issue of formula allocation and then details the programmatic choices made within the Prime Sponsors studied over the first years of CETA. Emphasis is given to FY 1975 and FY 1976 and, when available, information is supplied on FY 1977 choices. Data were obtained from the Prime Sponsor planning documents and the RDOL office.

A. Prime Sponsor Funding Formulas

It is somewhat ironic that the funding formula for CETA is determined by the national office of the Department of Labor according to a prescribed formula based on population, unemployment, and poverty within an area. This level then becomes the starting point in CETA planning, and it is the least flexible of all the CETA rules and regulations. Many have argued that the "new federalism" of the Nixon administration essentially redistributed the national monies from the central cities to the suburban rings, with about the

same percentage going to rural areas both before and after the passage of the legislation.

It was not unanticipated that the established formula would redistribute funds and as such the spokesmen for the central cities managed to attain a compromise in the formula which limited the reduction in funding to any one area to at least 90 percent of the previous year's allocation--the so-called "hold harmless" clause. This name is truly a misnomer, as no account was taken of the rate of change in the cost-of-living (and thus the cost-of-delivery services) and consequently the Prime Sponsors which qualified to have the "hold harmless" clause applied to them lost an amount up to 10 percent as well as an amount about equal to the change in the CPI. In Massachusetts this is best exemplified by the funding level changes applied to the city of Boston.

Prior to CETA, the categorical program operators, through CEP or CAMPS, would submit their "universe of need" and the DOL would them make allocations based on this need and the available funds. Further, with categorical program operators from the pre-CETA days firmly established within communities as the experts on the delivery of employment and training services, it was extremely difficult for those jurisdictions suffering a decline in funding levels to proceed with any new and innovative programs. Operators were scrambling to protect their previous funding levels and programs. Only the most optimistic expected established operators to drastically change and innovate under the first years of CETA. For those jurisdictions never before intricately involved in the manpower area, almost anything undertaken was by definition new and often called innovative.

The formula turned out to hurt the central cities even more than originally expected as the recession deepened in 1975. Considerable available evidence suggests that the impact of recession falls disproportionately on the poor. The maldistribution was however, corrected, to a certain extent, by the allocation formulae established for Title VI of CETA. Within the state we have a situation which mirrors the nation, since many of the suburban communities are quite wealthy when compared to Cambridge, Boston, Lowell, and New Bedford; yet they have been receiving allocations in excess of their relative level of need. Indeed, it has not been uncommon for several of the subgrantees within the Balance of State to use the media to

advertise that PSE jobs were available,[12] while at the same time Boston had to form a lottery because their application ratio for the "unskilled" PSE positions was running at least 70 to 1!

Complexity and paucity of data preclude a complete discussion of the funding formula for CETA, but the authors would like to express their impression that there is clearly a need for a national reassessment of the funding formula. It would be within the spirit of the legislation to allow the Prime Sponsor to apply for funding levels in the same manner they now apply for RDOL approval of the yearly plan.

Table 2 shows the total funds for each of the Prime Sponsors studied, with percentage figures for title allocations. The only substantial overall change was for the city of Boston in FY 1976, when the increased Title VI allocations raised their percentage of the five Prime Sponsor total funding from 18 to 21. The "economic stimulus package," available for FY 1977 and FY 1978, dramatically increased the Title II funding allocations for FY 1977, since one-quarter have been applied to that year's operations.

Over the three fiscal years the proportion of funds allocated to Title I programs declined, partially reflective of the increasing allocations for PSE positions under Title II and VI, as well as the difficulty experienced in placing persons in OJT slots or jobs after classroom training during the severe recession year of FY 1975. Title II funds also declined as a percentage of total funds, but Title VI grew each year within each Prime Sponsor--almost a 40 percent increases over the period.

The absolute dollar allocations have changed substantially for some Titles and Prime Sponsors. For example, Title I funds for the Balance of State remained constant in FY 1975-1976, but increased by about 50 percent for FY 1977. New Bedford has a 20 percent Title I increase in FY 1977. At the same time the Title I funds have remained constant or showed only a moderate increase for Boston, Cambridge, Lowell and New Bedford. For Title II we found that there was a drop in FY 1976 and then a reasonable sharp

---

[12] As an example, the following advertisement ran in several weekly papers in southeastern Massachusetts in July 1977: "Out of Work? Call CETA JOB HOTLINE! Toll free (number given) You May Be Eligible."

TABLE 2

Allocated Funds, Five Massachusetts Prime Sponsors
FY75, 76, 77, by Percentage of Total and Percent
Allocation by Title

	FY75	% of Total	FY76	% of Total	FY77*	% of Total
BoS	$60,759,500	66%	$60,418,000	67%	$101,653,500	68%
Title I	34%		34%		31%	
Title II	22%		12%		13%	
Title VI	44%		54%		56%	
Boston	$16,229,300	18%	$19,226,600	21%	$ 24,031,800	16%
Title I	46%		41%		32%	
Title II	19%		13%		13%	
Title VI	35%		46%		55%	
Cambridge	$ 5,580,200	6%	$ 6,778,600	8%	$ 9,580,100	6%
Title I	36%		31%		27%	
Title II	22%		15%		14%	
Title VI	42%		54%		59%	
Lowell	$ 4,983,100	5%	$ 5,157,000	6%	$ 7,759,900	5%
Title I	37%		39%		29%	
Title II	19%		12%		14%	
Title VI	44%		49%		57%	
New Bedford	$ 4,468,400	5%	4,746,600	5%	$ 7,041,700	5%
Title I	41%		38%		29%	
Title II	17%		11%		13%	
Title VI	42%		51%		58%	
TOTAL	$92,020,500	100%	$89,548,200	100%	$150,067,000	100%

*Includes 1/4 of "Economic Stimulus" Package appropriated and signed by President Carter in May 1977.

jump in FY 1977, due to the economic stimulus package. As expected, Title VI allocations increased dramatically over the period, with the largest rise coming in FY 1977 with Boston, Cambridge, and New Bedford getting almost twice their FY 1975 allocations.

It is difficult to obtain an accurate estimate of the extent to which the CETA program is addressing the needs of the community. Definitional and measurement problems plague the defense of summary statistics on the "universe of need" in an area. Further, the title of a program can be misleading in terms of the content of the program. However, if appropriate caveats are applied, the universe of need, as identified by the Prime Sponsor, can be compared with the number of clients served to obtain a rough estimate of the extent of coverage of the CETA program.

In order to make this estimate we have assembled the available information for FY 1976 for all of the Prime Sponsors under study except the BoS.[13] (The assembling of a single "Universe of Need" number has been discontinued for the FY 1977 and FY 1978 plans.) The numbers shown in Table 3 for the clients served include clients for the "transitional quarter," while the universe of need identified was for the four-quarter period. This will bias the percentage figures upward for the year and therefore should not be compared with percentage served in other Prime Sponsors unless adjustment is made for the time differences. It should also be pointed out that the number served with reference to Title I will include clients who were offered placement services without any training or OJT experience in the program.

Overall, within the Commonwealth the universe of need represented 16 percent of the total population. This percentage varied widely from place to place, with Boston showing the highest figure at 25 percent and the BoS, combined with the Massachusetts Prime Sponsors not studied (Brockton, Springfield, and Worcester), the lowest at 14 percent. As a rough measure of the ability of the Prime Sponsors to address the needs of the community, we computed an index by dividing the number of persons served in FY 1976 by the universe of need in the same year. Boston had the lowest service rate, serving only 9.8 percent of the universe of need while EMHRDA was able to serve over 13 percent of its universe of need. The numbers presented in

---

[13] We were unable to obtain a single "universe of need" figure for the BoS.

TABLE 3

Universe of Need as a % of Population and Number Served as a % of the Universe of Need, FY76

Prime Sponsor	Population	Universe of Need	Universe as a % of pop.	Number Served	Number as a % of Universe
Boston	641,071	160,960	25%	Title I 12,324 (78%) II 1,394 (19) VI 2,097 (13) Total 15,815 (100)	9.8%
EMHRDA	310,256	53,960	17%	Title I 5,557 (77%) II 833 (12) VI 813 (11) 7,203 (100)	13.4%
Lowell	214,152	37,184	17%	Title I 3,439 (72%) II 715 (15) VI 609 (13) Total 4,763 (100)	12.8%
New Bedford	165,904	33,900	20%	Title I 2,525 (64%) II 768 (19) VI 684 (17) Total 3,969 (100)	11.7%
Balance of State	3,375,550	N.A.		Title I 18,156 (45%) II 9,573 (24) VI 12,167 (31) Total 39,896 (100)	N.A.
Brockton	202,986	619,662	14%		
Springfield	459,050 (not				
Worcester	303,128 studied)				
Commonwealth of Massachusetts	5,673,194	905,606	16%	N.A.	

Sources:
Anne Howe, "FY76 Comprehensive Manpower Plan, Title I" p. 81
Mass DES
"Grant Application FY76" for Lowell and New Bedford, CETA Program Status Summary
W. Suojanen, "The Implementation of CETA in Massachusetts: The Case of Some Local Prime Sponsors," p. 10.

Tables 2 and 3 give a strong indication that the neediest Prime Sponsors are not able to offer services to as large a percentage of their potential clients as are some of the less needy Prime Sponsors.

Examination of the clients served among the various titles shows that the largest concentration is in Title I programs is within the City of Boston, where we found that 78 percent of the total clients were involved. This contrasts with the BoS, with only 45 percent of the total clients served in Title I programs and the highest percentage served in Titles II and VI. The BoS figures may well reflect a PSE preference of the more rural areas of the BoS or less need (or opportunities) for "training" type programs within the subgrantee areas.

The most important fact here is that even with the increased allocation for FY 1977 and FY 1978, we cannot expect the CETA program to "get to" a significant portion of those identified as part of the universe of need. Even with a doubling of funds, the Prime Sponsor which "performed" the best in percentage of universe of need served (EMHRDA) would be only able to serve one in four. The fact that such a small percentage of those in need are served is related to several different facets of the program. The amount of funds available, definitional problems in identifying those "in need," and the type of length of programs can all have an impact on the resultant comparative numbers.

Some of the confusion, charges and countercharges concerning the equity of the allocation formulae utilized by the Department of Labor should be eliminated. Standardized indexes of the "universe of need" and its component parts should be developed, and experimentation conducted on the impact of different formulae on the ability of a Prime Sponsor to penetrate the lone queue of those who could benefit from its programs and services.

The next section illustrates the programmatic choices made by the Prime Sponsors and how they evolved over three years.

B. Prime Sponsor Program Choices

An important part of the "independence" of the Prime Sponsors is the fact that they can select the type of program that best suits the needs of their economic climate and clients. Many predicted that with the elimination of most of the categorical programs there would be a realignment of

programs on the local level. Unfortunately, as noted earlier, we were unable to obtain comparable information for most of the present Prime Sponsors prior to CETA. Thus, our analysis centers on changes which occurred after CETA. This still offers an illustration of the program adjustments made over the first three years of CETA. Table 4 offers a breakdown of the funds and percentage of total funds allocated for Title I programs for each Prime Sponsor over the three years studied.

Since the recession hit hardest during FY 1975 and FY 1976, we would expect certain programmatic changes to occur within the Prime Sponsors. First, with the job expansion slowing or stagnant, we would expect a greater reliance on programs which serve as a "holding vat" for clients--e.g. classroom training programs of a longer duration, hopefully in areas expected to expand as the recession ends, and variations of the Public Service Employment (PSE) programs. Second, we would expect a decrease in OJT programs as employers already laying off would be reluctant to take on new responsibilities. In addition, the provision of "other services" might be expected to expand under poor economic conditions.

Before discussing the programmatic variance illustrated in Table 4 for each Prime Sponsor, it should be pointed out that Table 2 represents the allocations, while Table 4 presents the actual expenditures. The difference was accounted for by the Prime Sponsors shifting of money from one title to another, as well as some reporting and accounting idiosyncrasies.

The BoS showed the most dependency on programs called work experience (WE) and PSE under Title I. The programmatic choices, at least in FY 1975, represent the BoS's attempt to circumvent some of the problemmatic areas which emerged in identifying and approving positions for the Title VI allocations. Some of the Title VI funds were transferred to Title I so as to obtain the 20 percent administrative allocations (10 percent under Title VI) as well as sidestep some of the bureaucratic and political problems of the scores of cities and towns under its aegis. Work Experience represented 70 percent of Title I expenditures and PSE another 5 percent. In FY 1976, we saw a shift of some of the WE slots to PSE slots and a further drop in reliance on these two programs for FY 1977. The initial emphasis reflects both the need for speedy implementation and the incompatibility of the economic climate with OJT. Classroom training shows an increase in FY 1977,

TABLE 4

Actual Funds Spent on Title I Programs (Sources noted on second page of table)

	FY75		FY76		FY77	
Balance of State (BoS)						
CT	$1,101,000	12%	$4,249,300	13%	$6,551,200	20%
OJT	761,000	8	2,340,000	7	3,813,700	13
WE	6,200,000	70	17,226,100	53	13,245,600	45
PSE	448,000	5	7,593,600	23	3,382,700	11.5
Other Services	397,000	4	1,289,900	4	2,196,200	7.5
TOTAL	8,967,000		32,699,100		29,189,600	
EMHRDA						
CT	278,800	13	1,113,200	33	954,154	33
OJT	64,300	3	202,400	6	549,300	19
WE	1,115,400	52	1,281,900	38	665,000	23
Other Services	664,900	31	742,100	22	722,800	25
TOTAL	2,145,000		3,373,400		2,891,300	
New Bedford						
CT	510,000	31.7	438,200	28.3	181,400	9.2
OJT	474,000	29.4	197,600	12.7	160,400	8.1
WE	580,200	36	611,000	39.4	1,145,000	57.7
Other	44,600	2.8	149,500	9.7	285,000	14.4
TOTAL	1,608,800		1,396,300		1,771,800	
Lowell						
CT	786,000	55.3	705,700	39.4	940.900	48.1
OJT	334,700	23.6	685,900	38.3	580,500	20.7
WE	300.600m	21.1	261,000	14.6	261,700	13.4
OTHER			25,000	1.4	87,181	4.4
TOTAL	1,421,400		1,677,700		1,870,400	

TABLE 4

Actual Funds Spent on Title I Programs
(CONTINUED)

Boston	FY76		FY77	
CT	$3,415,792	49%	$2,232,181	44%
OJT	749,804	11	364,804	7
WE	1,025,912	15	1,025,912	20
Other	1,747,724	25	1,409,623	28

Sources: Northeastern Report, p. 36 (Boston)
Suojanen, p. 50 - CETA, In Massachusetts, The Case of Some Local Prime Sponsors (New Bedford)
Dickinson "CETA, Its First Year in Lowell" Unpublished, IR, MIT, June 1975 (Lowell)
EMHRDA - uncited sources in Newhouse thesis, 1977.
BoS - Quarterly Report to RDOL

representing a maturity of the program, especially in terms of planning and forecasting openings, as well as better cooperation of the BoS subgrantees and the local vocational and technical education schools. Further, the "other services" offered have shown a steady increase in percentage of funds, partially a result of more cooperation and mergers with local social service and placement agencies.

In short, although the BoS still has a heavy emphasis on WE (45 percent in FY 1977), there is evidence that the Title I program mix is changing with the development and sophistication of the subgrantees and the improving economic climate.

EMHRDA also had a heavy reliance of WE programs in the first year (FY 1975) but this tapered off in the second and third years dropping from 52 percent in FY 1975 to only 23 percent in FY 1977. The emphasis has shifted to more CT and OJT programs. Other services received much attention in EMHRDA in FY 1975, mostly due to agreements with social and placement service agencies, but this has tapered off by FY 1977. EMHRDA, as the BoS, appears to have settled and matured in their programmatic emphasis over the three years of CETA.

New Bedford shows almost the complete opposite of the BoS and EMHRDA. In FY 1975 there was an almost even split among CT, OJT, and WE, but by FY 1977 emphasis has shifted heavily to WE and "other services," while CT and OJT have dropped to 9 and 8 percent of the funds respectively. This is curious, as the economic climate over this period has improved and the planning and special forecasting done for this consortium would have led one to predict greater reliance on CT and OJT. Clearly, a participant can gain some benefits from a work experience program, but often these are simply low-skill PSE positions with no formal training component. As such they should not be the mainstay of the Title I efforts.

Lowell, as discussed in the section planning activities, has shown an ability to adjust its program emphasis in response to MPC and community recommendations. This is shown in the drop in emphasis on CT and an increase on OJT for FY 1976. FY 1977 brought back emphasis on CT because of the lack of available slots for OJT programs. Further, Lowell has dropped its original 21 percent WE emphasis to 13 percent by FY 1977; a similar change has

occurred in reference to the "other services" funded. Lowell, like the BoS and EMHRDA, has shown an ability to adjust its program over years in response to changing economic conditions and policy advisors' recommendations.

Boston has retained its heavy emphasis on classroom training and other supportive services. It has not followed the other Prime Sponsors in their heavy reliance on WE and PSE, and at the same time Boston has shown a small proportion of funds expended for OJT programs. Established programs and operators as well as a well-developed social service network are the major forces behind the very slow change in Boston. The Boston administrators say that there is little reason to change programs that they perceive have been well-run and efficient. We agree.

Comparison of the program mix under Title I of the Prime Sponsors in Massachusetts with figures available for the nation for FY 1975 reveals that the differences within the various Prime Sponsor structures are really not unusual.[14] The BoS Prime Sponsor across the country relied, on average, more on work experience programs and less on classroom training and OJT than did their city and consortium counterparts. Further, the city and consortium Prime Sponsors gave more emphasis to "other services" than did the more rural BoS and county Prime Sponsors. Again this was mirrored in Massachusetts. These programmatic priorities are the result of both the types of clients and labor markets in the less urban areas as well as the programs and "service" institutions that were already in place in the large cities and which continued operation on their own momentum even after CETA. Unfortumately, we do not have the national data for any time after FY 1975, so that we are unable to compare the program emphasis changes within Massachusetts with those that occurred across the nation.

In summary, it is fair to say that the Prime Sponsors were not highly prone to stay with the program mix of the previous year. They did change emphasis, sometimes because of better administration and time to adjust, and others because of real or perceived changes in the labor market(s) or clients' needs. Indeed, the spirit of CETA turns on the ability of the localities to

---

[14] William Mirengoff and Lester Rindler, The Comprehensive Employment and Training Act: Impact on People, Places, and Programs, National Academy of Sciences, 1976, p. 124.

better perceive the changing needs of the local economy and client groups and to adjust the programs accordingly. It is however, unfortunate that some of the adjusting and shifting of funds from title to title results from differing rules regarding clients and administrative monies, rather than issues of substance within the programs and their goals.

6. PRIME SPONSOR PERFORMANCE AND CLIENTS

Virtually everyone who enters a CETA office to ask for help of any type should be able to obtain it either through the direct offering of employment and/or training services, or by referral to another agency or program if the CETA contact is inappropriate. Although guidelines are offered in the CETA legislation and regulations as to whom should be served and how, they are "loose" enough so that we would expect variance among Prime Sponsors. This is somewhat ironic in that the strongest mandate given by Congress to the Department of Labor is specifically in reference to monitoring Prime Sponsors to insure that the appropriate cohorts receive the necessarily limited training and employment services.

The RDOL, taking its Congressionally-mandate monitoring role very seriously, has constructed a series of short-term performance indicators and other data collection forms. The reporting forms and indicators must be quantitatively-oriented for aggregation and reporting purposes. At the same time the "looseness" of the definitions for "disadvantaged" and other target groups, coupled with extenuating environmental circumstances, has led to conflict and confusion. Prime Sponsors object to having their "performance" graded on the basis of one or two numbers which may not even be appropriate for their particular situation, while the RDOL must collect assessment data.

In this chapter the first section presents a few of the short-term performance indicators and discusses their use. The second section offers information on client characteristics over the three-year period, while the last section presents the results of our data-collection effort undertaken to obtain information on the clients who were enrolled in Title I type programs before CETA with comparable information for participants in Title I programs after CETA.

A. Performance Indicators

It is appropriate to begin this section with an extreme but relevant quotation from Sir Josiah Strong:

> Public Agencies are very keen on assessing statistics -- they collect them, add them, raise them to the nth power,

> take the cube root and prepare wonderful diagrams. But what you must never forget is that every one of those figures comes in the first instance from the village watchman, who just puts down what he damn pleases.[15]

As we discussed in Chapter III on the relationship of the Prime Sponsors to the RDOL, there is great pressure on the Prime Sponsors to "perform" in a manner that will please the RDOL. The major method whereby the RDOL "grades" the Prime Sponsors is through the use of short-term performance indicators. There are a great many problems with the performance indicators developed by the RDOL, not the least of which is simple timing and reporting requirements. Also, the "indicators" themselves have limitations.

For example, an indicator called "cost per placement" cannot be appropriately compared across Prime Sponsors, as one may be "creaming" clients and another serving the most disadvantaged. Further, the same "cost per placement" figure tells nothing about the length of time the "placed " person remained on the job, nor does it offer any hint of the fate of fellow participants who were not placed. The latter may have returned to formal schooling or gone on to another program--outcomes which are not necessarily negative. Finally, comparison of the "cost per placement" across local Prime Sponsors, the state, region or nation is inappropriate, since economic conditions, comprehensiveness of support services and the like may differ drastically. These three obvious limitations of one of the most widely-quoted short-term performance indicators illustrate that it, at best, should only be utilized as a "flag" to point out areas where attention might be needed, and not be offered as evidence of a good or poor program. To a certain extent, all of the short-term performance indicators suffer from definitional and contextual limitations.

The Department of Labor in a field memorandum (No. 145-77, February 2, 1977) has formally stated that it recognized that the indicators "are not designed to meet the detailed needs of local program management or the longer range needs of program evaluators." Work has already begun in Region 1 to develop a new set of indicators which will allow for more reliable, meaningful, and comparable statistics.

---

[15] Quoted in Thomas H. Wonnacott and Ronald J. Wonnacott, Introductory Statistics for Business and Finance, New York, John Wiley and Sons, Inc., 1972, p. 397.

Since the new RDOL performance indicators are not as yet fully developed and operational, we provide Table 5 to illustrate several examples of performance indicators publicized for the Prime Sponsors we studied, and then briefly discuss the indicators publicized for one of them. All of the data in Table 5 describe the second quarter of FY 1977 and were supplied by the RDOL. After investigation through interviews with several persons involved in the assembling and interpreting these data we concluded that, as constructed, they did not provide the basis for a meaningful dialogue about the CETA program. By way of illustration, the following exchange is given. Although it does not represent a verbatim interview, the substance is accurately represented.

Question: How come the BoS has such a high cost for each direct and indirect placement, the lowest planned versus actual figure for those who entered employment and the highest non-positive termination rate?

Answer: It's obvious. We concentrate on the severely disadvantaged persons more so than the other Prime Sponsors. Also, we have many "in-school" youth in our Title I programs and they are not meant to be placed, but yet enter into the cost per placement figure. And we are optimistic in our plans. We set our goals very high in hopes of meeting them, and not low so as to get a "good" planned vs. actual figure.

Question: How do you account for the high percentage wage change of clients placed in work and your low administrative percentage?

Answer: We are efficient in our service to those who were most disadvantaged.

The brief discussion above should not be construed as an apology for the BoS "indicators," but rather be valued only as an illustration of the difficulty of interpreting and utilizing the myriad performance indicators prepared for each and every Prime Sponsor for each fiscal quarter. A strong recommendation must be made to both standardize and simplify the performance indicators demanded and utilized. They can be valuable to "flag" areas where attention is needed, but should not be used to evaluate the effectiveness of either client services or program management.

The data collected by the RDOL on client characteristics suffers less from definitional and contextual problems than the short-term indicators discussed above. Some of these data are presented and discussed in the

TABLE 5

Performance Indicators, Four Prime Sponsors
2nd Quarter FY77

	Entered Employment as % of total terminations		Total Entered Employment			Cost Per Entered Employment	Direct Placement Rate (Actual)	Indirect Placement Rate (Actual)	Total Placements			Cost Per Indirect placement
	Planned	Actual	Planned	Actual	Actual as % of Planned				Planned	Actual	Actual as % of Planned	
BoS	86%	76%	1,406	979	69%	$11,104	18%	64%	904	624	69%	$17,422
EMHRDA	73%	70%	1,017	945	93%	1,657	26%	55%	557	524	94%	$ 2,989
Lowell	39%	48%	355	356	100%	2,800	15%	65%	240	233	97%	$ 4,278
New Bedford		48%	170	139	82%	6,555	1%	69%	141	96	68%	$ 9,490

	Administrative Cost Rate	Cumulative Number of Individuals Served			Non-Positive Termination Rate	Other Positive Termination Rate	% Median Wage Gain
		Planned	Actual	Actual as % of Planned			
BoS	17%	953	10,012	105%	41%	31%	14%
EMHRDA	19%	2,810	3,119	111%	18%	12%	14%
Lowell	20%	1,628	1,547	95%	30%	22%	5%
New Bedford	19%	730	715	98%	29%	23%	3%

Source: Data Supplied By RDOL

following section.

B. The Participants in CETA Programs

Examination of the client characteristics for the three-year period revealed that there were very few instances of extreme changes in client groups served in any of the Prime Sponsors. The widest variance was evident when the third quarter FY 1975 figures were contrasted with the most recently available figures for the second quarter of FY 1977. Table 6 provides percentage data for "disadvantaged," minorities and females. The reader should keep in mind that the categories are not mutually exclusive. Over the period, the BoS has increased its emphasis on the disadvantaged for all Titles and the same is true for EMHRDA. Lowell, on the other hand, has an inexplicably very large decline in its percentage of disadvantaged persons in Title I programs and an equally dramatic increase for Title II; New Bedford mirrors the Lowell description. EMHRDA remained the most consistent over the three-year period in serving the disadvantaged. More often than not the data show that there has been a de-emphasis of female participants. The change is illustrated in EMHRDA where the percentage of women enrolled and employed was halved over the two-year period. In reference to minorities there is no pattern to the changes except that in all cases the percentage served is higher than the percentage of minorities within the employed population of the Prime Sponsor.

It is difficult to discern whether the observed changes in percentages served are the result of definitional changes, improvement in the economic climate over the period, or policy alterations by the Prime Sponsor.

In order to obtain a comparison with the client groups served within the Prime Sponsors studied, the region and nation, we assembled client group information for FY 1976, the latest year for which we could obtain complete data (See Table 7).

In terms of women, the data show that, except for Boston's Title I, the Prime Sponsors studied are not offering as much as the national average. This is particularly surprising since Massachusetts has the highest female labor force participation rate of any state in the country. On the other hand, the figures for "disadvantaged" persons show a greater concentration

TABLE 6

Participant Characteristics by Title for 3rd Quarter FY75 and 2nd Quarter FY77

	Disadvantaged				Black & Spanish				Women			
	FY75		FY77		FY75		FY77		FY75		FY77	
	% Enrollment	% Employment	% Enr.	% Emp.	% Enr.	% Emp.	% Enr.	% Emp.	% Enr.	% Emp.	% Enr.	% Emp.
BoS												
Title I	86%	71%	91%	84%	13%	17%	7%	21%	50%	53%	29%	34%
Title II	66	56	94	89	7	3	13	13	30	16	42	35
Title VI	49	38	90	0	5	7	9	7	28	21	30	32
Boston												
Title I	99	99	87	74	53	61	60	57	48	47	48	43
Title II	40	92	N.A.		30	58	N.A.		28	54	N.A.	
Title VI	39	100	N.A.		20	0	N.A.		23	0	N.A.	
EMHRDA												
Title I	67	60	85	62	13	13	10	6	40	42	21	23
Title II	50	100	69	61	9	0	23	15	35	0	45	45
Title VI	67	42	67	73	57	17	10	18	21	17	37	34
Lowell												
Title I	82	100	40	44	12	9	4	0	37	29	33	38
Title II	18	17	83	80	10	0	23	27	45	63	39	34
Title VI	N.A.		42	47	N.A.		3	6	N.A.		37	34
New Bedford												
Title I	90	75	65	38	16	10	6	7	51	60	34	46
Title II	49	47	88	84	10	0	11	13	23	37	43	34
Title VI	N.A.		45	28	N.A.		6	8	N.A.		30	35

Source: RDOL data

TABLE 7

Participant Characteristics for FY76 (Four Quarters) for Prime Sponsors, The Region and the Nation

	Disadvantaged		Black & Spanish		Females	
	% Enrolled	% Employed	% Enrolled	% Employed	% Enrolled	% Employed
National						
Title I	75	67	50	43	45	45
Title II	46	43	40	27	36	37
Title VI	44	37	32	25	34	32
Total	66	61	45	39	42	41
Region I						
Title I	81	79	35	33	43	41
Title II	61	63	10	6	32	36
Title VI	57	53	10	6	30	32
Total	72	73	24	25	38	39
BoS						
Title I	79	62	12	13	42	40
Title II	70	62	7	5	30	36
Title VI	65	64	6	5	28	32
Total	73	63	9	9	35	36
Boston						
Title I	98	99	54	49	48	47
Title II	49	41	26	16	24	13
Title VI	46	33	26	9	25	28
Total	85	98	47	48	41	47

(CONTINUED)

Table 7
(Continued)

Participant Characteristics for FY76 (Four Quarters) For Prime Sponsors, The Region and the Nation

	Disadvantaged		Black & Spanish		Females	
	% Enrolled	% Employed	% Enrolled	% Employed	% Enrolled	% Employed
Cambridge						
Title I	-	-	-	-	-	-
Title II	57	51	10	28	33	50
Title VI	85	62	10	6	21	23
Total	73	59	10	13	26	31
Lowell						
Title I	88	90	32	41	34	32
Title II	54	55	3	10	31	26
Title VI	63	38	0	3	31	27
Total	79	85	23	37	33	32
New Bedford						
Title I	48	38	5	4	29	31
Title II	83	84	16	15	41	43
Title VI	37	53	8	12	29	40
Total	63	70	11	12	35	39

Source: Performance Indicators, New England Region, Transitional Quarter FY76

in the Massachusetts Prime Sponsors and Region I than do the same figures for the nation. The numbers in references to minority groups must be put into perspective as the only Prime Sponsor within the Commonwealth that has a substantial proportion of minority population (Boston) is doing very well compared to the nation. The remainder of the Massachusetts Prime Sponsors studied are, given the percentages of minorities in their population, serving these groups well.

In sum, it is fair to say that, gauged against the national and regional averages, the Massachusetts Prime Sponsors studied have performed well in serving the disadvantaged and minority populations, although they did not perform quite as well in reference to women. The most important questions which arise out of the data discussed above center on the percentage of disadvantaged clients served under all titles. It is understandable that the nationwide percentage of persons hired under Title VI who qualified as disadvantaged was only 44 percent (much higher in the Massachusetts Prime Sponsors), as this PSE program is specifically designed as a countercyclical employment program and only secondarily targeted to the disadvantaged worker. However, it is puzzling to discern why the percentages of disadvantaged persons served under Titles I and II do not approach 100. These programs are expressly designed and funded to aid this group. One in four nationwide Title I slots and over one-half Title II slots go to a non-disadvantaged person. This issue must be addressed by both local and national policy makers. With the limited funds and over demand for participation in CETA, there is no defensible explanation for offering such a large proportion of its Title I and II programs and services to persons who have a decent chance of achieving a labor market success without it.

C. Pre-CETA and Post-CETA Participants

In order to find out, among other things, whether the client groups and pre- and post-training wages differed in the programs run prior to the implementation of CETA as compared with those under CETA, two of our research assistants collected data from Lowell, New Bedford, and Brockton for the

Title I type training programs for before and after CETA.[16,17] In addition, utilization of the Management Information System from the BoS enabled us to supplement the post-CETA data on Title I participants. No sampling was attempted; rather the universe of program participants for which data were available are included in the analysis. Data for the pre-CETA period were collected for 1,190 persons and there are 5,721 clients in the post-CETA cohort -- a total of 6,911. A breakdown of the sample by pre and post-CETA with termination status is presented in Table 8 below.

Table 8

Termination Status	Pre-CETA	Phase	Post-CETA	Phase	Total	
Entered Employment	704	59%	1680	29%	2384	34%
Other Positive	0		385	7%	385	6%
Non-Positive	486	41%	3656	64%	4142	60%
Totals	1190	100%	5721	100%	6911	100%

Personal characteristics, work experience records and manpower training information was collected for as many of the participants as possible. One measure of the effectiveness of the pre- and post-CETA training was approximated by three standards: (1) the first post-training wage rate; (2) the absolute wage difference between the last pre-training wage and the first post-training wage; and (3) the percentage difference between the pre-and post-training wages. Table 9 presents a detailed breakdown of the pre- and post-training wage rates earned by the participants both before and after

---

[16] The full results of the analysis are presented in William Suojanen, CETA Title I Manpower Programs in Four Massachusetts Prime Sponsors: Issues in Their Implementation and An Evaluation of Their Effectiveness Compared With Pre-CETA Programs, Ph.D. Dissertation, Sloan School of Management, M.I.T., August 1977. Suojanen worked on this analysis with Ethan M. Jacks, a Master's candidate.

[17] Brockton was, at the beginning of our study, one of the subgrantees within the BoS Prime Sponsor. In 1976 it separated and became its own Prime Sponsor. Within the city, prior to CETA, programs were run under a CAMPS framework and the data were collected from existing records.

TABLE 9

Pre and Post Training Wage Differentials in the Pre and Post CETA Period
(Lowell, New Bedford, Brockton, and BOS)

	Pre-CETA Period		Post-CETA Period		Percent Wage Change[1]	
	Pre-Training	Post-Training	Pre-Training	Post-Training	Pre-CETA	Post-CETA
Sex:						
Male	$2.31	$2.33	$3.29	$3.72	21.8%	25.1%
Female	1.76	1.90	2.39	2.92	18.1	30.4
Ethnic Group:						
White	2.20	2.17	3.00	3.48	20.8	26.8
Non-White	1.88	2.06	2.83	3.29	19.5	27.6
Welfare Recipients:						
Yes	1.94	2.05	2.58	3.08	18.5	30.4
No	2.12	2.14	3.09	3.54	20.6	26.1
Unemployment Insurance:						
Yes	3.39	3.40	3.58	3.87	42.7	16.0
No	2.38	2.70	2.74	3.36	41.3	34.2
Previous Work Experience:						
less than 1 year	2.20	2.36	2.37	2.90	24.2	31.0
1-2 years	2.12	2.69	2.07	3.22	41.0	63.9
3-9 years	2.52	2.76	2.22	3.45	41.2	72.1
10 years or more	3.09	2.95	2.42	3.23	44.9	42.6
Previous Manpower Training:						
Yes	1.91	2.01	2.74	3.18	15.5	24.4
No	2.53	2.73	3.06	3.55	42.1	28.0
Training Program:						
CT	2.13	2.07	2.77	3.21	16.7	25.2
OJT	1.85	2.98	3.30	3.80	62.7	28.8
WE	1.80	2.02	2.60	2.87	18.6	23.8

[1]The Percent Wage changes are NOT the % changes between the average pre and post training wages, but rather an average of the % change in wages across individuals for whom both wages have been recorded.

CETA by program type, socio-economic characteristics, and work experience measures.

It should be emphasized that the purpose of this analysis was not to determine whether the training itself made a difference in the wage rate the trainee was able to demand, but rather to gain a better understanding of whether the programs operated before CETA were significantly different from those run in the post-CETA period. The reader should keep in mind several caveats. First, in a way this is a "straw man" in that some of the pre-CETA programs remained the same in the post-CETA era. Secondly, there is the question of wage drift over the 1970-76 period covered and, consequently, single wage comparisons over the period are not very useful. On the other hand, most of the training programs lasted 25 weeks or less, and within this time span (pre-training to post-training wages) there is little chance that general wage increases would have had a significant impact.

With a few exceptions, the post-CETA hourly wage changes were, percentagewise, greater than in the pre-CETA period. In general the lower the wage a person had prior to training, in both pre- and post-CETA periods, the greater was the percentage increase in wages. Also, the programs, in both periods, were more effective for those who had more than one but less than 10 years of work experience, e.g., the young and the older cohorts showed the smallest percentage change in wages after the programs.

Program type showed differences in wage rate changes, with the OJT programs resulting in the highest percentage increases both before and after CETA.

The sex breakdown shows that men experienced a slightly higher percentage wage increase than did women in the pre-CETA programs, while the reverse is true in the post-CETA era. The small differences for white and non-white changed from the whites gaining more before CETA to the minorities showing a bit higher percentage of increase after CETA. The non-whites did, however, start from a lower pre-training wage base.

Further breakdowns of the client characteristics by whether they were in pre- or post-CETA programs reveals interesting information on the changes in groups served in the two periods. Space precludes inclusions of the

constructed tables, but a brief discussion will be useful.

A series of Chi Square tests were applied to the individual characteristic and programmatic data for clients before and after CETA to test for differences in the two periods. The following summary list offers the major conclusions found for differences in client characteristics in the two periods, all statistically significant at the .05 level. Note that there was not a category called "other positive terminations" (See Table 7) for the pre-CETA period. Thus, the comparisons refer only to those clients who fit into the "non-positive" and "entered employment" categories. Furthermore, they refer only to Title I programs, not to PSE.

1. Pre-CETA programs enrolled a higher proportion of women and non-whites than did post-CETA programs. This is partially due to the inclusion of the BoS only in the post-CETA data. The BoS has a very small (less than 2 percent) non-white population.

2. Educational level was, on average, about one year less for those in the pre-CETA programs.

3. More veterans and married persons were enrolled in the pre-CETA programs.

4. Post-CETA programs enrolled more economically-disadvantaged persons, welfare and unemployment insurance recipients, and more low-income persons than did the pre-CETA programs. This, of course, is partially related to the changes in unemployment insurance eligibility rules as well as to the economic climate in the post-CETA era.

5. The post-CETA enrollees had undergone a considerably longer period of unemployment than did their pre-CETA counterparts. Again, this probably was due to the worse economic situation in the post-CETA era.

6. The training period was longer (19.8 weeks) in the post-CETA period than in the pre-CETA period (15.5 weeks).

In sum, the post-CETA trainees were more likely to be male, white, and better-educated than their pre-CETA counterparts, while at the same time they were poorer and less likely to be married or a veteran in the post-CETA era.

Locally-planned and run employment and training programs, it was predicted by the proponents of CETA, would likely be more effective in

improving the labor market experience of the participants. Utilization of the detailed client personal, programmatic, and experience data collected allowed for a series of multivariate regression analyses to test various facets of this hypothesis. The dependent variables in the models approximated "effectiveness" of the program as measured by absolute wages, absolute wage change from pre- to post-program, and the percentage wage change before and after training. The independent variables were selected on the basis of theoretical constructs developed in the extensive manpower program evaluation literature as well as through utilization of ad hoc testing to separate out the spurious influences.

Equations were run for client groups for the post- and pre-CETA period. Space precludes a full discussion of methods and results. The interested reader should refer to the document cited at the beginning of this section.

Overall, the equations for clients in the pre-CETA era showed a better statistical fit, as indicated by very high values (often = .90) for the coefficient of multiple determination (R^2), than did the equations for the post-CETA era ($R^2 = .50$). This does not mean that the pre-CETA programs were more effective in terms of wages demanded after terminations, but rather that the hypothesized "predictors" of outcomes of the programs no longer were as important as they were in the pre-CETA era. Other factors which we were unable to measure had become important. It is possible, that the programs themselves became more important in determining outcomes, although we could not measure differences within program types. This finding was reinforced by the fact that the post-CETA program clients, on average, demanded a higher wage immediately upon termination than did their pre-CETA counterparts, possibly because wages had risen generally with increase in the CPI. Further tests using the absolute and percentage change in wages from the pre- to post-training period showed that programs in the pre- and post-CETA eras "performed" at about the same level in raising the wages that participants could command in the labor market.

Additional tests were conducted to see whether the better predictions of wages in the pre-CETA era were the result of the differences observed in the client characteristics in the two periods. Simulations with post-CETA clients in the pre-CETA equations confirmed the previous conclusions that

there was no significant difference in the effectiveness of the pre- and post-CETA programs, as measured by absolute and percentage wage changes.

A subsequent simulation exercise based on disaggregated data for Lowell and New Bedford indicated some significant pre-CETA and post-CETA comparisons. This disaggregation eliminated the effect of Balance of State data which were available only for the post-CETA period. The simulation showed that in Lowell pre-CETA Title I program participants would have received a greater percentage wage change under CETA programs, and that post-CETA participants would have received a smaller percentage wage change if they had been enrolled in pre-CETA programs. The results in New Bedford were not significant except for one equation. This showed that post-CETA program participants there would have suffered a wage loss of $0.59 per hour under pre-CETA programs as compared with a wage gain of $0.36 they had under post-CETA programs.

The differences are not easily explained, but based on our knowledge of the Lowell findings, in particular, there could have been a better selection of programs suited to the post-CETA labor market, more community commitment to those programs, and possibly some slight difference in client characteristics between the two periods.

D. Minority Perceptions of CETA in Boston

During the initial years of our study, two graduate students studied the perceptions of minority community organizations in Boston on CETA as compared with MDTA funding. Most of the individuals interviewed in three principal minority training and employment organizations agreed that the administration of manpower programs is much less bureaucratic under CETA than the system imposed under MDTA. Too many levels of authority lay between the agency and the Department of Labor under the MDTA, making requests for assistance a time-consuming process. Under CETA, these minority agencies are directly responsible to the Boston Manpower Administration Office, and after a period of adjustment, the administrative contracting mechanism appears to be running more smoothly for Title I funds. On the other hand, City Hall is perceived as being insensitive to the needs of the minority community.

However, with Title I funds reduced in Boston as the suburbs gained, there has been intense competition between minority agencies for funds, and the goal of each is to maintain its share of the funds at all costs. Because performance in placement is a primary determinant of future funding, quantity of placements (for at least one day) is emphasized, rather than quality. At the time of the second study (May 1976), there was no way of measuring the long-run effectiveness of Title placements, and the minority agencies felt that the Title I funds they got will fall far short of meeting the employment problems of Boston's minorities. Yet there were some training programs which were not very effective and somewhat duplicative, so that the final report recommended that the competing minority agencies should specialize within a unified manpower system in which contracts would be awarded for specific training programs to the particular agency best able to operate a program.

Finally, the minority perceptions were critical of the City's administration of PSE funds under Title II and VI, in which less disadvantaged and unemployed white workers seemed to get the jobs even though one of the stated objectives of CETA Title II and VI in Boston was "to hire unemployed and economically disadvantaged residents of the city."

7. SUMMARY AND RECOMMENDATIONS

This study reports on the results of three years of research on the implementation and impact of CETA in eastern Massachusetts, conducted by staff members and graduate students in the Industrial Relations Section, Sloan School of Management at the Massachusetts Institute of Technology, under a research grant from the Office of Research and Development, Employment and Training Administration, U.S. Department of Labor. Apart from the City of Boston, which was studied under a subcontract from the MIT group to the Department of Economics at Northeastern University (the subject of a separate report), the Prime Sponsor consortia studied were: Eastern Middlesex Human Resources Development Administration (EMHRDA, centered in Cambridge); Lowell; New Bedford; and Balance of State (BoS) covering some 18 subgrantees, including the Newton and Quincy areas which we studied. The research approach provided a longitudinal view of CETA in these areas not equalled by shorter case studies.

When qualitative and quantitative data were available, comparisons were made with pre-CETA programs such as MDTA, OEO, and EEA. But the important comparisons proved to be those among Prime Sponsors over the three-year period. Both types of comparisons were subject to external environmental factors, especially the worsening state of the Massachusetts economy relative to the national economy, and the very high rates of unemployment in New Bedford and Lowell, especially, at the peak of the recession in 1974-1975. Structural changes from manufacturing to lower-paid service occupations were characteristic of the Massachusetts economy as well as of Lowell and New Bedford. One consequence was that opportunities for effective job placement, OJT, and outreach were limited, so that CETA programs were forced to become income maintenance efforts rather than instruments for upward mobility. This was especially true when the Title VI (Public Service Employment) funds became the main countercyclical program to provide jobs, dwarfing the original concept of decentralized, decategorized CETA core programs in Titles I and II of the 1973 law.

The Administration of CETA

Administrative difficulties have occurred in most of the Prime Sponsors during the three-year period of study. One exception is Lowell, consistently cited as a "model Prime Sponsor," in which the CETA director who has been in his present and a previous similar position since 1973, has the respect of the city council, the Manpower Planning Council, and the program operators, who are subcontractors. In New Bedford, MPC coordination has been problematic, since the CETA director made many unilateral decisions about programs and priorities and program operators report directly to him. EMHRDA (the Cambridge consortium) has a set of very diverse communities which complicate decision making, reporting responsibilities and authority relationships. The cities and towns are different in industry and population characteristics and each has its own priorities and needs for utilization of CETA money. At the Balance of State (BoS) the central staff must give prior approval to all subcontracts for manpower services let out to 18 subgrantee areas, and must approve almost all staff hiring in them. But the complete administrative and fiscal control of the program operators within the subgrantees are the responsibilities of the chief official in the headquarters city or town of the subgrantee.

The most important responsibility of the Prime Sponsors to the Regional Office of the Employment and Training Administration of the Department of Labor (RDOL) is the submission of a comprehensive manpower plan which can be rejected by the RDOL for a variety of reasons, and the provision of a variety of reports to the regional agency. As might be expected, there is wide variation in the relationship between Prime Sponsors and the RDOL and its field representatives. Some have been strained, as in New Bedford for a period, and others are fairly smooth, as in Lowell. The RDOL rates all Prime Sponsors once a year, leading to some controversy and publicity. Most Prime Sponsors agreed on the necessity and appropriateness of the RDOL review of Title I plans, but considered anything beyond this as meddlesome and unnecessary. Some Prime Sponsor directors and staff resent the presence of the field representative, while others utilize the skills and knowledge of this individual to aid in smoothing administrative and technical problems with the RDOL. The area of federal responsibility is still vague after

three years, and the role is often what the RDOL or appointed field representative decide it to be.

The involvement of elected officials in the process of planning and implementing manpower programs was (and is) one of the express purposes of CETA. Within eastern Massachusetts, the larger the city the less likely the chief elected official will become involved in anything other than basic goals and policies of the CETA program. But it is also true that since the inception of CETA, the elected officials in all-sized cities have become more interested in manpower programs as their involvement became more than an advisory perfunctory role, as it was prior to CETA. The availability of new Title VI Public Service employment funds increased the interests of elected officials who were under fire from property taxpayers as taxes rose and services were cut. Here was an opportunity to get federal funding for maintenance of public services and public employment. The controversy over abuses about "maintenance of effort" regulations raged in Massachusetts as elsewhere in the nation. The situation has been, at least in part, corrected with more strict regulations.

Coordination of other employment and training programs such as vocational education and rehabilitation with those under CETA has yet to come to fruition here. It has proceeded furthest with the Division of Employment Security (the state employment service agency). One problem is that other non-CETA employment and training programs do not share the same planning and service delivery boundaries with the CETA Prime Sponsors, nor is there any commonality in the submission dates for yearly plans. Consequently, coordination is made more difficult.

The Processes of CETA: Planning

The demand for localized manpower planning under CETA, with local Manpower Planning Councils (MPCs), had its roots in the pre-CETA Concentrated Employment Program (CEP) and the Cooperative Area Manpower Planning System (CAMPS). The CETA law specifies that there should be a planning council with broad-based representation, including client groups. In addition, the Prime Sponsor is to provide the MPC with professional, technical, and clerical staff to aid the MPC in review, approval and evaluation functions. But

these are advisory functions; the Prime Sponsor makes the final decisions. In fact, the MPC's are fourth in line of policy advisory bodies, after the RDOL, the Governor, and the State Manpower Services Council. The SMSC and the State Office of Manpower Affairs have used persuasion and technical expertise to induce the Prime Sponsors to use their services, particularly in the development and utilization of data.

Among the Prime Sponsors studied, the attendance at and usefulness of the MPCs varied considerably. At BoS, after a shaky start, the MPC joined the Prime Sponsor staff in surveying the work of the Area Manpower Planning Boards in each of the 18 subgrantees and in drafting guidelines for the AMPBs. But members of the MPC still had complaints, due to their perception of their powerlessness in other respects. In Lowell, by contrast, the CETA director managed in the first year to get the MPC established as a center of policy discussion and review, and he has seldom refused to accept their recommendations. In both Lowell and New Bedford, procedures were set up for sending information to the MPC members prior to the meetings. The average attendance at MPC meetings in each area was about 50 percent, with minority groups (Cape Verdians) attending in New Bedford because of dissatisfaction with attention given to them in the program mix. Attendance at the EMHRDA MPC was only 30 percent, partly because of communication problems with the CETA staff. The staff director of the MPC resigned, and after a new one was appointed, attendance at meetings and the level of discussion improved. But no evaluative services were offered by the MPC, so it appears to have had little effect on the plan.

While it is clear that the MPCs are only an advisory body, they will not be very effective if the decisions and policies they recommend are not listened to by the Prime Sponsors. Many MPC members are connected with or proponents of certain programs and can be expected to speak the loudest when the discussion turns to "their program." Other members are community leaders or experts in the field, and they tend to become frustrated when the process of participating in MPC meetings seems time-consuming and results in few changes in programs and policies. If there is no staff person specifically assigned to and responsible to the MPC, any substitute staff assignment from a Prime Sponsor results in loyalty conflicts.

Planning also involves coordination of labor supply with the demand side of the labor market, through utilization of local labor market information. The major demand side resource here are the DES Job Bank, employer surveys and special projects, but they suffer from a large proportion of low-wage, high turnover jobs which often do not require specialized training. Resources on the supply side include the census, neighborhood surveys, DES data (ESARS) and projections on the number of individuals graduating from various training programs. Each has its own limitations, especially for looking ahead 12-18 months. Several efforts are underway to make improvements in useable data at the local geographical level. The SMSC has appropriately taken the leadership role in addressing the evaluation and data problems, particularly in classroom training across the whole state, to provide the establishment of a corresponding client information data base.

Programmatic Choices Within Prime Sponsors

Prime Sponsors are offered wide programmatic latitude under the CETA law and regulations. This is clearly within the spirit of the law, as it allows Prime Sponsors to adjust their programs to best fit the area needs, in their judgment. But the overall funding levels offered to the Prime Sponsor are determined by a formula set up by the national office of the Department of Labor and they are inflexible.

The funding formula limits reduction in any one area to at least 90 percent of the previous year's allocation -- the so-called "hold harmless" clause. But this takes no account of inflation, so that the allocations to the large cities have been reduced in real terms beyond the "hold harmless amount", to the benefit of the suburban areas. Nowhere has this been seen more clearly than in the contrast between the funds available to the city of Boston, and the more affluent suburbs. For example, the Newton subgrantee area area could not effectively use all Title I funds available. Further, while Boston had a lottery because their applications for unskilled PSE Title VI positions were running 70 to 1, several subgrantee areas within the BoS were advertising in newspapers for CETA PSE applicants!

Data available for each of the Prime Sponsors studied show that in

FY 1976, Boston did benefit from Title VI funds enough to raise their percentage of the five Prime Sponsor total funding from 18 to 21 percent. And the "economic stimulus package" available for FY 1977 (and FY 1978) dramatically increased the Title II funding for FY 1977. Nonetheless, over the three fiscal years we studied, the proportion of funds allocated to Title I declined, as a result of increased allocation for PSE positions under Titles II and VI, as well as a consequence of the difficulty of placing persons in OJT slots or in jobs after classroom training during the severe recession years. Data available in "universe of need" for FY 1976 for all Prime Sponsors except BoS (this figure has been discontinued in FY 1977 and FY 1978 plans) show that Boston was able to serve only 9.8 percent of its total needs, while EMHRDA was able to serve over 13 percent of its universe of need. The numbers give a strong indication that even with the increased allocation for FY 1977 or FY 1978 the neediest Prime Sponsors are not able to serve as large a percentage of their potential clients as are some of the less needy ones.

Did the Prime Sponsors select the type of programs that best suits the needs of their economic climate and clients? Since the recession hit hardest during FY 1975 and FY 1976, we would expect certain programmatic changes to occur. First, during recession, there would be a greater reliance on classroom training of longer duration in areas expected to expand with recovery, and variations of the PSE programs. Second, there would be a decline in OJT programs as employers stopped hiring, and "other services" might expand.

The Balance of State shows a shift of Title VI funds to Title I (for higher administrative allowances), and to Work Experience as a larger share of Title I funds. In FY 1976, WE slots were shifted to PSE, and by FY 1977, classroom training increased as job openings were forecasted. "Other services" increased steadily. Although BoS still has a heavy reliance on WE (45 percent in FY 1977), Title I programs are shifting with the development and sophistication of subgrantees and the improving economic climate in the state.

EMHRDA also had heavy reliance on WE programs in the first year (FY 1975), but this tapered off in the second and third years. The

emphasis has shifted more to CT and OJT programs. New Bedford shows almost the complete opposite. In FY 1975 there was an almost even split among CT, OJT, and WE, but by FY 1977 the emphasis shifted heavily to WE and "other services." This is curious, as the economic climate has improved over this period and the planning and special forecasting done for this consortium would have suggested greater reliance on CT and OJT. Lowell has shown an ability to adjust its program emphasis in response to MPC and community recommendations. There was a drop in CT and an increase in OJT in FY 1976, but FY 1977 brought back emphasis on CT because of lack of additional slots for OJT programs. Further, Lowell reduced its original 21 percent WE to 13 percent by FY 1977.

Boston has retained its heavy emphasis on classroom training and other supportive services. It has not followed other Prime Sponsors in their heavy reliance on WE and PSE, and it has shown a small proportion of funds expended for OJT programs. Established program operators as well as a well-developed social service network are the major forces behind the very slow change in Boston.

Finally, the program mix under Title I in the eastern Massachusetts Prime Sponsors are not so different from those for the nation as a whole, as reported for FY 1975. The Balance of State Prime Sponsors across the country relied on the average more on work experience programs and less on classroom training and OJT than did their city and consortium counterparts. Unfortunately, we do not have national data for FY 1976 and FY 1977. In our study, it is fair to say that the Prime Sponsors did not stay with the program mix of the previous year. They did change emphasis, sometimes because of better administration and time to adjust, and sometimes because of real or perceived labor maket changes or changes in client's needs. Also some of the adjusting and shifting of funds did result from differing rules regarding clients and administrative funds, rather than because of issues of substance within the programs and their goals.

Prime Sponsor Performance and Clients

The RDOL, taking its Congressionally-mandated monitoring role seriously, has constructed a series of short-term performance indicators and other

data collection forms. These must be quantitatively-oriented for reporting and aggregation purposes. At the same time the "looseness" of the definitions of "disadvantaged" and other target groups, coupled with extenuating environmental circumstances, has led to conflict and confusion with the Prime Sponsors.

The performance indicators themselves have limitations. "Cost per placement" cannot appropriately be compared across Prime Sponsors, as one may have been "creaming" clients and another serving the most disadvantaged. In addition, the same "cost per placement" figure tells nothing about the length of time the "placed" person remained on the job, nor does it offer any hint of the fate of fellow program participants who were not placed. These suggest that this type of performance indicator should be used only as a "flag" to point to areas where attention might be needed, and not offered as evidence of a good or poor program. Following a DOL field memorandum in February 1977 on this question, work has begun in Region 1 to develop a new set of indicators which will allow for more reliable, meaningful and comparable statistics. These are not yet full developed and operational.

Data on client characteristics in the Prime Sponsors are better. They show that there were very few instances of extreme changes in the client groups serviced over the three-year period in any of the Prime Sponsors. Over the period the BoS has increased its emphasis on the disadvantaged in all CETA Titles, and the same is true for EMHRDA. Lowell has had a very large decline in its percentage of disadvantaged in Title I programs and an equally dramatic increase for Title II. New Bedford has the same pattern. EMHRDA remained the most consistent over the period. From what we know, it is difficult to discern whether the observed changes in percentages served are the result of difinitional changes, improvement in the economic climate over the period, or policy changes.

Comparisons with national Prime Sponsors data for FY 1976 show that Massachusetts Prime Sponsors show a greater concentration of "disadvantaged" than in the nation, and that those with a higher percentage of minorities in the population are serving these groups better, compared with the nation as a whole.

Our study of minority agency perceptions of CETA in Boston put a slightly different perspective on this last general conclusion. With Title I CETA funds in the city relatively lower because the suburban ring has gained relatively, the principal minority agencies are scrambling for their relative shares of fewer dollars, and they feel that their needs are far from being met. While the administrative contracting mechanism with the city's Manpower Administration office is seen as simpler than going through several layers to the DOL under MDTA, these agencies also feel that minorities are not getting their fair share of the much larger funds for PSE under Titles II and VI.

Pre-CETA and Post-CETA Participants

A separate data collection for Title I types of training program participants before and after CETA was made in Lowell, New Bedford, and Brockton, a recent Prime Sponsor after breaking away as a BoS subgrantee. In addition, utilization of the BoS Management Information System provided BoS post-CETA data on Title I participants. Data were collected for all program participants for whom data were available; no sampling was attempted. One measure of the effectiveness of pre-CETA as compared with post-CETA programs was developed from three sets of data for all individuals: (1) post-training hourly wage, (2) the absolute wage difference between the last pre-training wage and the first post-training hourly wage, and (3) the percentage difference between the pre and post-training hourly wages.

Despite a number of difficulties with such comparisons, we found that the post-CETA hourly wage changes were greater percentagewise than those in the pre-CETA period. The programs in both periods were more effective for those with 1-10 years of work experience; the younger and older participants showed the smallest percentage change in wages after the training programs. OJT programs resulted in the highest percentage wage increases both before and after CETA.

Differences in client characteristics between the two periods also statistically analyzed. Compared with post-CETA programs, pre-CETA programs enrolled a higher proportion of women and non-whites (partially due to the inclusion of BoS which has less than 2 percent non-whites), had

one-year lower average educational levels and enrolled more veterans and married persons. But post-CETA programs enrolled more economically-disadvantaged persons, welfare and unemployment insurance recipients, and more low-income persons. Post-CETA clients had also undergone a considerably longer period of unemployment, probably due to the worsened economic situation in the post-CETA period. The training period in post-CETA was longer (19.8 weeks) than in the pre-CETA period (15.5 weeks).

Further statistical simulations and tests indicated that using the absolute and percentage change in wages from the pre-CETA to post-CETA period, the programs "performed" at about the same level in the two periods in raising the wages that participants would secure in jobs. Client differences between these two periods, as mentioned earlier, appeared to have no statistical effect in raising absolute wage levels, nor did they explain the larger percentage differences in wage increases in the post-CETA period.

A further analysis of disaggregated data for each period for two of the separate Prime Sponsors, Lowell and New Bedford, was made. This eliminated also the possible spurious result of the aggregate analysis which included BoS only for the post-CETA period. The simulated results for Lowell showed that the pre-CETA participants would have performed better in wages gains under CETA programs, and conversely, that the post-CETA participants would have performed more poorly under pre-CETA programs. The New Bedford regressions and simulations were less clear-cut than at Lowell. Only one equation fits well, and when the stimulation was run it showed that the wage changes for post-CETA participants in the pre-CETA programs would have been a loss of almost $0.59 per hour, as opposed to the $0.36 per hour gain they actually experienced under the Post-CETA programs.

Recommendations

At various points in this report, we have noted some recommendations which seemed to us to emerge from the three-year study of Prime Sponsors in eastern Massachusetts, including their relationship with the state and the RDOL. They are numbered for reference and emphasis.

1. The yearly rating of Prime Sponsors by the RDOL as "satisfactory," "marginal," or "unsatisfactory" for various reasons is often disputed by

Prime Sponsors, gets reported in the media, and seems of little valid use, unless the RDOL can de-designate a Prime Sponsor or apply some other sanction. If the scheme is retained, the initial investigation should be quantitative, with an on-site followup to make sure that the rating reflects the real performance of the Prime Sponsor and not only some situation which could not have been prevented by Prime Sponsor action.

2. More explicit guidelines should be established on exactly what the federal role is in law, and how that responsibility can be carried out. The present division of responsibility is not clear-cut, and sometimes seems to be what the RDOL or its Field Representative feel they have.

3. Careful selection and training of the Field Representatives is needed. They are crucial links between the Regional Federal and local Prime Sponsor levels. Experience in eastern Massachusetts indicates that several have been the cause of trouble in the Prime Sponsors rather than providing assistance in dealing with federal-local problems.

4. Congress and the Department of Labor should consider separating the PSE programs from the Title I programs operated under CETA. The vast majority of controversies surround the use of PSE funds locally. This might be reduced or eliminated if the RDOL ran the programs for the region, or they maintained a regular countercyclical PSE revenue sharing hands off policy. Some monitoring might be done by a regional official.

5. Attention must be given to consolidating and/or eliminating some of the paperwork that is required of Prime Sponsors. Without exception, all of the FRs, RDOL staff, and Prime Sponsor personnel agree that the reporting requirements are excessive. Given the experience and acknowledged expertise of the RDOL auditing staff, many of the reports required could be incorporated into the regular audit, thereby easing the burden on both the RDOL and Prime Sponsor staffs.

6. There is also need for definitional clarification of target groups and "disadvantaged persons," as well as standardized definitions of program accomplishments and placements. For example, the BoS monitors its subgrantees for enrollments and expenditures, while the RDOL is looking for such information as cost of entering employment or cost of indirect placement, etc. While it is fair to say that over the three-year period some

progress has been made in stabilizing the RDOL-Prime Sponsor relationship and duties, the achievement of a constructive partnership is a long way off unless some definitional and policy changes discussed above are made.

7. The local Manpower Planning Councils are not totally effective bodies for making local input into the expenditure of CETA funds. Among the changes which should be considered are (a) making MPCs financially independent with a portion of Title I money in order to hire their own staff and clerical help, (b) expanding RDOL training sessions for MPC members with possible financial incentives for attending on their own time (c) requiring an MPC report on the overall plan (with minority reports, if necessary) prior to submission of the plan to the RDOL, and (4) consider changing the regulations to allow MPCs veto power over the overall plan, in order to provide a check consistent with the spirit of the CETA legislation on whether the programs and policies are really responding to the needs of the local area as perceived by a broad-based MPC.

8. Labor market information needs to be collected for the use of present Prime Sponsors in their own geographical boundaries, particular about employers and job openings in those areas. Without such data, the Prime Sponsors must rely on wider labor market information which is of little use in their program planning and development.

9. The present funding formula which benefits the suburban areas of large cities, especially Boston, has raised serious questions about equity as it affects adversely the central-city disadvantaged, poor, and minorities; often the minorities are characterized by being disadvantaged and poor also. Standardized indexes of the "universe of need" and its component parts should be developed, and experimentation conducted on the impact of different formulae on the ability of a Prime Sponsor to penetrate the long queue of those who could benefit from its programs and services.

10. The limitations of the quantitative performance indicators used in the past by the RDOL to rate each Prime Sponsor for each fiscal quarter indicates the necessity to standardize and simplify these indicators. They can be valuable to "flag" areas where attention is needed in a particular Prime Sponsor, but should not be used to evaluate the effectiveness of either client services or program management. We support the effort by the

RDOL to develop a new set of indicators which will allow for more reliable, meaningful, and comparable statistics.

11. Title I and Title II funds should be spent on programs exclusively for the disadvantaged; there is no good reason why less than 100 percent of such funds should not be so spent, but lesser percentages are found in the reports. The eligibility requirements for recipients of Title VI Public Service Employment are much broader than for Titles I and II, and PSE funds may well be administered separately as we indicated in No. 4 above.

PART II: THE IMPLEMENTATION OF CETA IN BOSTON, 1974-77

Principal Findings and Conclusions

1. CETA found Boston with a diversified, decentralized employment and training system fashioned over the previous decade from a gamut of categorical programs operated by two community based organizations and by the Boston School Department (BSD). The community agencies had well-defined programs, serving the economically disadvantaged, including substantial proportions of minorities and young people.

2. Senior staff of the Boston Manpower Administration (BMA), themselves preferring such a system, persuaded the City administration of its desirability. The staff in turn relied on the existing institutions.

3. During the year of administrative decentalization preceding CETA, the Manpower Area Planning Council (MAPC) was fashioned to reflect these preferences. Renamed the Mayor's Employment and Training Council (METAC), its substantial community representation, accessibility and openness, continued under CETA. The Council served, as intended, as a shield against political interference. The vitality of the METAC has been a distinguishing feature in Boston.

4. In practice, if not on paper, the BMA and the METAC have been responsible solely for Title I programs. An independent office ("CETA-II") under the Mayor, has been responsible for PSE.

5. The METAC and the BMA acquired a voice in PSE, but it remains minor. Operational links between Title I programs and PSE were slow in developing and are still relatively weak.

6. The BMA had considerable difficulty achieving administrative capability. A number of factors have been responsible: staffing problems and turnover, an early failure to take advantage of regional Employment and Training Administration (ETA) technical help, and the early lack of agency cooperation in developing MIS. However, the BMA has taken the lead in developing model evaluation and follow-up techniques.

7. Aside from PSE, CETA has not changed Boston's manpower system much. However, unexpected lag funds and the responsiveness of the METAC process did permit incorporation of several new youth programs, and did permit

special attention to the needs of ex-offenders, drug addicts, older workers and women.

8. The one important internally initiated change was a substantial cutback of OJT because of the weakness of the local economy and equally important because of administrative defects in the program.

9. A much more substantial change in Title I programs, the closing of the BSD-operated skill center, was precipitated from outside the system. The released resources allowed the BMA to experiment for the first time with purchase of service contacts at area technical schools.

10. PSE provided the city with useful services many well-administered. PSE enrollees in the first two years were more likely than Title I enrollees to be better-educated, adult white males of prime working age. Persistent METAC pressure finally led to women and ethnic minorities receiving priority for slots that became vacant.

11. It is probable that the PSE administrative lapses would have been prevented if from the start the program had been under the supervision of the METAC. It also is likely that the enrollees mix would have included relatively more long-term unemployed, economically disadvantaged, women and ethnic minorities, and that links would have been established between Title I and PSE programs.

Recommendations

1. The Title I allocation formula should be amended to better reflect a prime sponsor's national share of poor persons 16 to 64 years old, or persons 16 to 64 in families earning 70 to 80 percent of the DOL's lower level annual budget in the area, with a minimum amount per poor or low income person, equal to the prior year's per person amount in real terms.

2. A distinction should be made between funds spent to raise employability and those spent for income support, such as stipends. The latter might come from HEW, the former from the DOL.

3. The benefits of decentralization and decategorization could be achieved by alternative kinds of prime sponsorships that are relatively immune from local political interference, able to employ career staffs with a long run, professional commitment, and of sufficient size to achieve administrative economies of scale. One alternative model might be special units of the regional ETA as prime sponsor, covering cohesive labor market areas smaller

than the SMSA.

4. The responsibility of advisory councils should explicitly include activities funded by Titles II, VI and III. Advisory councils should be strengthened by having its own staff funded directly by the DOL.

5. Prime sponsors should receive countercyclical funds for Title I activities above their basic Title I allocation in order to permit the lengthening or expansion of such programs when labor market conditions deteriorate.

6. Title II programs should be limited to unemployed or underemployed economically disadvantaged persons and/or unemployed or underemployed persons whose family income is 70 to 80 percent of the area's lower level family budget. Links should be required between Title I and Title II programs.

7. Half of a prime sponsor's Title VI slots should be reserved for economically disadvantaged persons or persons in families whose income is 70 to 80 percent of the area's lower level family budget. The other half should be drawn from the long-term unemployed.

8. Programs for in-school youth should be on a year-round, continuous basis, combining education with related or relevant work experience, similar to cooperative work-study programs.

9. OJT programs should be confined to primary labor market employers, defined in terms of the area's average hourly earnings, and its quit and layoff rates. One agency should be responsible for both job development and enrollee recruitment.

10. Special technical training should be provided to all job developers in Title I and Title II programs to enable them to establish close, continuing links with employers.

11. Special incentives should be given for enrolling and successfully terminating the most disadvantaged.

INTRODUCTION

This report is a case study of the introduction of the Comprehensive Employment and Training Act (CETA) in Boston, and the research was undertaken as a subcontract to a larger project involving CETA in various communities in Eastern Massachusetts. The prime contractor was Massachusetts Institute of Technology, with funds from the Office of Research and Development, Employment and Training Administration, U.S. Department of Labor.

Objectives of the Study

The decategorization and decentralization tenets of CETA have significant implications for the development and administration of employment and training policies and programs. The Act gives to the executive officers of units of local government major responsibility for the identification and selection of target groups to be served, and for the creation, implementation, monitoring and evaluation of employment and training delivery systems (i.e., agencies and their programs). Local governments are to determine the nature of programs and select the agencies to provide the services. And if desired, a local government can be both prime sponsor and sole deliverer.

It was expected that decentralization and decategorization would improve manpower programs by freeing them of rigid requirements developed on the Federal level for uniform application throughout the country, and by having decisions made by individuals in immediate and continuing contact with local economic, social and political conditions. This intimacy was expected to lead to services that more accurately answer local needs. But the questions to be answered were: what will be the impact of CETA with respect to target groups, and employment and training institutions? And what impact will these changes have on program performances?

The principal objective of the project is to demonstrate the feasibility and value of using an outside organization (a) to chronicle and analyze the changes in employment and training planning and programs occurring in one major city, Boston, as the Federal policy changes from a centralized and categorical policy to a decentralized and decategorized one under CETA, and (b) to examine the impact of those changes on employment and training programs and institutions, the internal structure and staffing of these institutions, program participants,

and the community. A second major objective of this project is to study how the CETA prime sponsor monitors and evaluates its programs.

Methodology and Staff

The study traced the development of local employment and training policies and programs through the transitional year fiscal 1974, through fiscal 1975 (the first full year of CETA), and through most of fiscal 1976, during which the planning for the second year of CETA was underway. It was assumed that by the end of 1976 the consequences of CETA for local employment and training institutions and their programs and clients would be sufficiently apparent to draw general conclusions.

The methodology used involved interviews with strategic members of the City, State and private institutions which were engaged either in the planning or operating of employment and training programs. Program data of client characteristics, enrollments, termination and work experiences were collected and analyzed in order to assess the results of local employment and training decisions. The interviewing techniques used were open-ended, and adapted to the individual, agency or issues under discussion. Staff members regularly attended the Mayor's Employment and Training Advisory Committee meetings, as well as the meetings of the numerous subcommittees. The methodology also involved periodic meetings with the City's Employment and Training Administrator and key members of his staff to report study findings and to discuss their implications for strengthening the program planning and management. An early draft of this report was distributed to key officials in the relevant Federal, State and local offices for their comments.

The research was conducted by the two principal investigators and one research assistant. Work was begun in the fall of 1974 and continued into the winter of 1976-77. The two principal investigators have been involved in research of Boston's employment and training programs since the late 1960's. They were authors of the report on Boston in the volume Metropolitan Impact of Manpower Programs: A Four-City Comparison, ed. Garth L. Mangum and R. Thayne Robson (Olympus Publishing Co., 1973). In 1974 the researchers completed a study for The Boston Urban Observatory, Alternative Manpower Strategies for the City of Boston, which reviewed employment and training planning in Boston during the transitional fiscal year 1974.

Boston's Economic Environment

During the 1960's Boston's population dropped substantially, from 697,000 to 641,000, a loss of 8.1 percent, and at the same time the age mix, the racial mix and the geographic distribution of its population also changed. Despite the net loss of residents, the number of persons aged 15 to 29 showed a gain of 22 percent, and by 1970 this age group constituted 29.0 percent of Boston's population, compared to 21.8 percent ten years earlier. From 1960 to 1970 the number of nonwhites in the Boston area (mostly concentrated in the City) rose from 69,600 to 119,200, up by 71.6 percent. If we add the 1970 census listing of 20,100 Spanish-speaking, whom the 1960 census does not identify separately, the rise in minority group members would be even greater. These changes in the city's age and racial mix had important labor force consequences.

Between 1950 and 1970 heavy job losses occurred in Boston's manufacturing, transportation and trade sectors. Substantial gains were made in finance, service and government, but these were only enough to raise the City's total employment by 2.0 percent over the twenty-year period. These changes re-ordered the relative importance of Boston's industrial sectors. In 1950 the two top sectors were trade (with 26.3 percent of all jobs) and manufacturing (with 19.6 percent), while services represented only 13.8 percent. By 1970 the dominant sectors were trade (22.2 percent of all jobs) and services (21.2 percent), while manufacturing accounted for only 12.0 percent of Boston's employment.

The city's occupational structure mirrored this transformation. In 1960, of an estimated 479,700 jobs in Boston, 58.5 percent were white-collar jobs, 30.5 percent manual, and 11.0 percent services. In 1970, 61.2 percent of the estimated 509,100 jobs were white collar, 27.5 percent manual, and 11.3 percent services.

An examination of 1975 employment data by economic sector for the United States, Massachusetts and the Boston SMSA indicates the weakness of the Boston job situation for the disadvantaged. (See Table 1.) Note that the SMSA includes 64 communities surrounding the City of Boston.

The manufacturing sector, which normally employs a substantial number of poor and disadvantaged, is not a growth industry, and in Boston SMSA it employs a significantly smaller percentage of total employment than it does in all of the United States. In the growing service sector there is a polarized occupational structure with professional administrative and technical jobs at the top requiring extensive education and training, and low-paying, menial jobs at the

Table 1. Shares of Non-Agricultural Payroll Employment, by Major Industry, in the U.S., Massachusetts, and the Boston SMSA, 1975

Sector	United States	Massachusetts	Boston SMSA
Non-Agricultural--Total	100.0%	100.0%	100.0%
Manufacturing--Total	23.8	25.5	19.9
Durable	13.9	14.1	12.1
Non-durable	10.0	11.4	7.8
Contract Construction	4.5	3.4	3.8
Transportation & Utilities	5.8	4.9	5.4
Wholesale & Retail Trade	22.0	22.7	23.0
Finance, Insurance, Real Estate	5.5	5.9	7.6
Services, Miscellaneous, Mining	18.2	21.8	25.5
Government, Total	19.2	15.5	14.8

Table 2. Comparison of Annual Unemployment Rates

	United States	Massachusetts	Boston SMSA	City of Boston[a]
1970	4.9	4.6	4.0	4.9
1971	5.9	6.6	5.7	7.0
1972	5.6	6.4	6.5	8.0
1973	4.9	6.7	6.9	8.5
1974	5.6	7.2	7.2	8.8
1975	8.5	11.2	10.6	13.0

a. Estimated by City labor staff for Boston CETA grant application, FY 1977.

bottom requiring limited education and training. The poor and the disadvantaged are universally blocked from the jobs at the top.

One normal growth sector -- government -- is hardly that at present. State and local governments which normally employ substantial numbers of the poor and the disadvantaged, are in a financial bind and are not expanding. Even the once-growing financial sector seems to have lost its steam, and contract construction has had a devastating drop.

Over the 1970-75 period the labor force in the Boston SMSA rose by 4.9 percent, but employment declined by 2.3 percent. In general the unemployment rates were higher in Massachusetts, the Boston SMSA and the City of Boston, than in the United States. But the estimated unemployment rates in the City of Boston were the highest. (See Table 2.) In an economic environment such as that which Boston faced clearly made a transition from a centralized and Federally specified series of employment and training programs to a decentralized and decategorized program a very difficult one. And compounding the problems was the fact that the City received less funds than previously while the cost of living was rising rather rapidly.

CETA became the responsibility of Boston as a prime sponsor in October 1974. Between that date and October 1976 the Boston CPI rose by 15.1 percent. (See Table 3.) In each of these two years the Boston Title I allocation fell by about 10 percent in terms of current dollars, but in real terms the drop over the two-year period was about 30 percent. Such a drastic financial squeeze undoubtedly made the employment and training programs under CETA appear less successful than would otherwise have been the case.

Pre-CETA Employment and Training Programs

The pre-CETA programs can be seen largely in terms of the clash between an ag aggressive community based organization, Action for Boston Community Development, Inc. (ABCD), energized by the civil rights movement of the 1960's and the largesse of federal anti-poverty and training funds, and the traditional public agencies, the Massachusetts Division of Employment Security (MDES) and the Boston School Department (BSD). There were other important actors and agencies, but the evolving drama of the sixties and early seventies was dominated by ABCD's challenge and the halting response of its two major antagonists, spurred at critical times by a not always decisive federal government.

The first training programs were those organized under the Manpower Development and Training Act (MDTA), not originally designed to help the

Table 3. Boston Consumers' Price Index, 1967=100

	January	April	July	October	Annual Average	Percent Change, in Annual Average
1970	113.6	115.1	116.4	119.4	116.7	
1971	120.7	121.6	122.7	124.3	122.7	5.1
72	124.8	126.2	127.0	128.9	127.1	3.6
73	129.7	132.4	134.1	138.7	134.7	6.0
74	142.0	145.2	149.7	153.0	148.7	3.9
75	156.4	159.0	163.0	184.8	162.1	9.0
76	171.9	172.5	175.3	176.1	174.5	7.6
77	179.4	182.1				

poverty-stricken disadvantaged, and referred to as MDTA institutional training. This training reigned as the dominant program until about 1966, when funds were siphoned off for the Concentrated Employment Program (CEP) and for incentives to employers to hire the disadvantaged (NAB/JOBS).

Although MDTA funding first became available in the late summer of 1962, the first MDTA institutional course did not begin in Boston until early the following year. The delay was attributed to the cautious behavior of the decision-makers in the MDES, the Massachusetts Department of Education (MDE), and the BSD. A conservative MDES staff found it difficult to accept training as a goal, perhaps because this reversed DES' accustomed role of referring applicants already equipped to meet employers' hiring specifications. The BSD, in turn, was alleged to be dominated by tradition-bound personnel who held narrow views of the role and scope of education and who denigrated occupational training. Vocational educators in the MDE were unwilling or unable to bypass local school authorities or pressure them to respond more appropriately to the MDTA.

By 1965 ABCD had begun to fill a labor market void by combatting unemployment among disadvantaged youth in inner city areas left by the unaggressiveness of MDES and state and local educators. In 1966 ABCD installed in poverty areas

Neighborhood Employment Centers (NEC's) that were to provide a "comprehensive system of referral" and other "employment services" for ghetto residents.

CEP was introduced nationally in the spring of 1967 with the purposes of concentrating limited MDTA and Economic Opportunity Act (EOA) funds on a few target areas in order to have an identifiable impact, of involving private employers in hiring the disadvantaged, and of centralizing local administration to coordinate existing programs in target areas. ABCD became Boston's CEP sponsor, and a unique feature of this CEP was its Orientation Centers (OCs). These centers provided 15 weeks "orientation" courses all but two of which were actually entry level skill training.

Boston was one of the 50 cities to whose private employers President Lyndon B. Johnson appealed in January 1968 to employ 500,000 hard-core unemployed over the next 3 1/2 years. The National Alliance of Businessmen (NAB) was organized to implement the goal. The President also proposed using Federal funds to support businesses participating in the program, called Job Opportunities in the Business Sector (JOBS). The contract phase of NAB-JOBS began in Boston early in 1968, and by mid-1970, 60 JOBS contracts had been awarded, providing about 2000 slots to be filled over a three-year period.

On paper Boston's Work Incentive Program (WIN) began in August 1968, but it was not until mid-winter that the MDES' WIN teams began processing substantial numbers of Welfare Department referrals. An adequate number of appropriate referrals was a chronic problem, because of heavy social worker case loads and dependence on voluntary participants. The 1971 Talmadge amendments to the Social Security Act led to a turnabout in the philosophy, operating practices and structure of Boston's WIN, and this reversal began in October 1972 with a freeze on institutional enrollments. The number of successful completions in FY 1973 was small: 641 of the cumulative total of 2832 participants had been placed in unsubsidized jobs, nearly half directly, without any intervening training; most of the others had been placed after institutional training, and only 18 after OJT.

The Public Employment Program (PEP) began its recruiting in Boston in September 1971, and by the start of 1972 the city had hired 424 persons for its 569 slots. Approximately 7,000 people applied for the 569 slots. Of the total number of 978 EEA hires, about 38 percent still remained to be placed on permanent jobs as of November 1973. The employment prospects were dimmed by high unemployment and the City's stringent budget.

The Planning and Administration Process

The Cooperative Area Manpower Planning System (CAMPS) was instituted in March 1967, as a joint effort of various federal agencies to reduce the problems of duplication, overlap and fragmentation in the employment and training area. The original CAMPS committee for the Boston SMSA was too unwieldy a body to accomplish any of the planning agency's goals, and by the fall of 1968 it agreed to decentralize by creating several geographic subcommittees, one of which was for the City of Boston. Ten organizations with interests in employment and training programs in Boston were chosen for membership on the Boston subcommittee. Individual subcommittees developed staffs to deal with the technical issues of planning and evaluation.

The basic weakness of CAMPS in this early period was its lack of authority to allocate funds among program sponsors. There were no definitive rules about the organizations eligible for representation on CAMPS, and no rules on voting rights. It operated by consensus, although there were few instances when a vote would have had any practical meaning.

The Boston CAMPS subcommittee underwent a series of changes during 1971, and the result was a newly constituted body designated as the Boston Manpower Area Planning Council (BMPAC). A series of subcommittees were created, each responsible for reviewing in depth the proposals of sponsors for specific target groups in the disadvantaged population and making recommendations for the consideration of the BMAPC as a whole. The BMAPC also created a Labor Market Advisory Council (LMAC), in conformance with the 1971 Talmadge Amendments to the Social Security Act, to provide labor market information for the administrators of the WIN program.

The Transition

By administrative action the Department of Labor began the process of decentralization and decategorization in 1973, and the FY 1974 became a transitional year. The Comprehensive Employment and Training Act legislated the decentralization and decategorization, and FY 1975 was the first full year of CETA.

This current research is an effort to determine whether, at least in the transitional period, the decentralization and decategorization of employment and training programs have improved the administration of the programs and the delivery systems.

THE TRANSITION PERIOD -- TITLE I

The goals of CETA were the decentralization and decategorization of employment and training programs, to be attained by giving local authorities, within prescribed limits, the right to decide which groups should be served and in what fashion. The rationale behind decentralization and decategorization was the belief that the programs would better reflect local needs, and could be better coordinated and more effectively administered. It was felt that local elected officials would be more aware of, and more responsive to, local needs and local economic conditions and hence better able to devise programs to accommodate these needs. Local control also would permit the participation of community interests, previously mandated by the Economic Opportunity Act.

In Boston, decentralization meant centralization and coordination by the prime sponsor, represented by the Boston Manpower Administration (BMA), whose function is to administer Title I activities. Initially Title I was given nearly all the attention of the BMA, because the prior experience of its staff had been with activities encompassed by Title I, and because it did not have responsibility for the PEP. The PEP administration had been assigned automatically to an office directly linked with that of the Mayor; this office essentially was a continuation of the one maintained for the PSE. In Boston, national programs under Title III were represented only by a youth demonstration project under the auspices of the Boys Club of America.[1]

Pre-CETA Employment and Training Structure

To a substantial degree, program decentralization and integration has existed in Boston since the mid-1960's in the form of the CEP, administered by ABCD, which was and still is, the dominant manpower institution in Boston. The BMA, in effect, was building, even before the passage of CETA, on an already existing administrative foundation. The Manpower Administrator of the city had been associated with community action agencies, reflected their philosophy, and had directed CEP for a time.

---

1. After CETA, in 1976, the initiative of BMA staff members was responsible for obtaining national or regional funding for three demonstration projects of some significance: (1) an evaluation model to be replicated by other prime sponsors in the region; (2) a WIN/CETA partnership to train out-of-school 16 to 18-year olds in AFCD families; and (3) a YWCA project to train females for traditional male occupations, chiefly the trades.

The CAMPS had existed here as elsewhere, but was not an effective planning or decision-making group, because it was not part of the funding process. A Department of Labor (DOL) grant had funded a manpower staff in the Mayor's office to assist CAMPS. This staff became the secretariat of the MAPC when it became responsible for the administrative decentralization mandated by the DOL in FY 1973. By then the MAPC had established four subcommittees. The reliance on subcommittees was continued and expanded under the advisory council established under CETA.

During the evolution of the current advisory council, the geographic scope of the Boston planning area was narrowed. Originally under CAMPS, it had included the entire Standard Metropolitan Statistical Area (SMSA); but by 1971/72, the chairman of CAMPS explicitly restricted his activities, and in effect that of CAMPS, to Boston programs. Under the 1973 pre-CETA administrative decentralization, the then MAPC was expanded to include four adjacent communities, none of which were included when the Boston MAPC was reconstructed under CETA. The parting was voluntary. The City of Boston had seen no particular advantage in continuing this relationship and possibly some problems dealing with independent communities. The former members felt new geographic alignments would enhance their ability to obtain funding. This reformulation did not mirror the interdependence or economic realities of the local labor market, but rather traditional parochialism and short run political advantages. For many years, suburban communities have taken the attitude that they do not want to add Boston's burdens to their shoulders.

The MAPC subcommittees, prior to CETA, had reviewed proposals from agencies regarding programs to serve members of the disadvantage population, and had made recommendations to the MAPC. The four subcommittees were: (1) the LMAC, required by the 1971 Talmadge Amendment to the Social Security Act, with a jurisdiction confined to the WIN; (2) the Hispanic subcommittee, responsible for English-as-a-Second Language (ESL) programs; (3) the MDTA subcommittee, responsible for adult institutional training and work experience programs; and (4) the Youth subcommittee, responsible for work experience programs for in-school and out-of-school youth.

Decentralization, but not decategorization also had occurred under the 1971 Emergency Employment Act (EEA), when Boston's city administration received the money, hired the trainees and provided the jobs, without any link to the evolving MAPC or manpower programs conducted under the MDTA or the EOA.

As noted, the city still has (as of Spring 1977) two, not one, manpower offices.[2] The BMA, under the City's Office of Commerce and Manpower is responsible for Title I programs but conducts none itself. Another office (known as the "CETA" office) in the City Administration had operated the PEP, and fell heir to CETA's Title II and VI activities. On paper, PEP fell within the jurisdiction of the BMA and with enactment of CETA, PSE as well, but in practice PEP was operated independently by the "CETA" office with little if any BMA direction. The initial administration of PSE followed a similar course, although later modified to some extent. Hiring clearance for PEP was exercised by the Mayor's Office of Personnel, not uncommonly referred to as the Mayor's "patronage" office.

During 1974, the relationship between the "CETA" office and the office of Commerce and Manpower was never clearly defined. Commerce and Manpower may have been responsible theoretically for PEP, and later for Title II, but had no clear line of authority over either. The relationship was ambiguous and became even more so when the City's Office of Program Management and Evaluation (OPME) began to give direction to,but with no apparent line of authority, over PSE. This ambiguity was erased within several months when it became known that OPME, as an in-house consultant, was temporarily directing the "CETA" office, in order to meet serious DOL criticism of its operations. After reorganizing and restaffing the office, OPME withdrew. By 1976 the "CETA" office was on its own. Despite the earlier confusion and the divided authority, there was collaboration between the BMA and the OPME "CETA" office, and functional links have been slowly forged between Title I programs and PSE.[3]

What effect, if any, did CETA have on the city's manpower objectives? The Act itself speaks in broad terms, giving prime sponsors latitude to decide goals and priorities.

Goals of CETA

The objectives stated in the City's Annual Plans were broad and not very specific. They were much like those of pre-CETA days; i.e., to improve the employability of the poor and disadvantaged, and to develop jobs for these persons. These goals stirred little debate. The BMA expressed them in the following terms in its FY 1974 grant application (page 8):

---

2. A division that is supposed to be ended in 1977 by physically integrating the staffs of both offices under one roof.

3. However, without Federal regulations and DOL direction the planned administrative joining of the two offices and the slowly evolving program links might not have occurred.

"Mayor Kevin H. White, through the Boston Manpower Area Planning Council, will direct local efforts toward assisting the poorer residents of the MAPC in developing education and skills to enable them to find meaningful employment. Manpower monies would be used with other resources to increase the income and employability of the urban poor, to expand employment opportunities, and to create a skilled labor force to meet the needs of local industries. Specifically, manpower planning must be concerned with the entire range of economic and educational issues which affect the earnings and employability of Boston area residents..."

The FY 1975 and 1976 grant applications used much the same language. Such academic niceties as displacement effects, the nature of the expected gain in employability, the amount, or its duration went unaddressed.

Specific goals have to be gleaned from the performance standards developed for the different programs funded by the BMA. Two criteria have predominated. One has been the maintenance of enrollment levels at 90 percent, so that slots would not remain empty, stipend monies left unspent, and people not helped who could have been. For all but in-school youth, the second criterion has been placement in an unsubsidized job, at a wage above a specified level or levels. The focus has been short term. Being hired and working one day constitutes a job placement. (It must occur within 60 days after leaving a program and counts irrespective whether the person or the program found the job.)

There were no publicly debated and adopted performance standards before FY 1975. The first opportunity for advisory council consideration of performance standards was associated with FY 1975 planning. The FY 1974 plan had incorporated standards in pre-CETA agency contracts (after BMA consultation with regional DOL staff). The standards adopted for FY 1975 were softened versions of the 1974 ones. The FY 1975 standards were based on a combination of actual accomplishment and considerations of feasibility, and permitted modification if warranted by poor labor market conditions. Nonetheless, the BMA would like to tighten standards to spur program improvement.

Reliance on job placements as a standard was a carryover from pre-CETA days. The agencies lost no opportunity to state their conviction that "Washington" disbursed manpower chiefly on this basis before CETA. Worried about the future intentions of the DOL and the Congress, the agencies maintained that FY 1976 pre-CETA retention measures based on 3-month and 6-month follow-ups were not part of the official performance standards. Although incorporated in BMA contracts with the agencies for internal use by BMA staff only, Advisory Council Committees did not use retention rates in evaluating programs in FY 1975 or FY 1976 planning.

However, the BMA has let contracts in 1975, 1976, and 1977 to follow up Title I trainees, at first only terminees of skilled training programs but broadened in the second and third years to cover most programs. In addition, careful evaluation studies have been conducted by the BMA of the City's last three Summer Program for Economically Disadvantaged Youth (SPEDY) and another will be conducted of its 1977 one.

There has been only a slight shift in favor of other, possibly more appropriate, standards. In 1976, for example, as a result of agency and committee initiative, the predominance of job placements for out-of-school youth programs was modified by giving more weight to other desirable goals, such as returning to school full-time. More importantly, in FY 1977 the BMA introduced standards incorporating retention; that is, continuity of employment. The FY 1977 grant application included a 90 percent retention rate for 30 days for most programs. Some thought was given to including wage gains in standards, but sketchy and dubious pre-CETA earnings data have ruled that idea out. The dominant agencies, however, have clung to the excessively short run standard of job placement at a reasonable wage, especially for adult programs. So far performance standards have not been used sysematically in planning, although such a use is contemplated for the FY 1978 Plan.[4] As late as 1976, there were insufficient data and enough doubts about their reliability to rely on attainment of performance standards to decide funding cuts. At fault was the inability of the BMA to develop an internal information system capable of providing the data needed to monitor and evaluate programs.

Use in planning of the findings of the longitudinal follow-up surveys has been modest. Follow-up information has served to verify agency data and apparently helped the BMA staff to make recommendations for FY 1977 program reductions and to recommend FY 1977 contracts. The survey also will be used in FY 1978 planning. However, the relatively small number of completed interviews per program makes for absolutely large standard errors, except for a few large programs.

The evaluations of SPEDY have contributed to better staff and agency understanding of the variety of program benefits to different youth and have enabled operators to distinguish between favorable and unfavorable sites. However, details of the evaluations have not been provided to the Advisory Council or its

---

4. However, standards have been used by the staff as a basis for corrective action, as well as for the preparation of recommendations to committees about contractor proposals.

committee for council members to make independent judgments.

The BMA and Advisory Council had no reservations that Title I was for the poor, for the economically disadvantaged whether unemployed,under-employed, or not. Minority group members, especially those with erratic work histories and limited educations continued to be prime clientele. In contrast, pre-CETA MDTA programs could have trained minority group members who were not economically disadvantaged and, of course, MDTA programs were not limited to residents of the City of Boston.

The decision about which groups among the disadvantaged were to be served was based on a detailed analysis of the "universe of need;" the designated groups were much like those receiving manpower services before CETA. There were a few shifts in emphasis, however. With CETA, Boston gave greater attention to drug addicts, and ex-offenders, and possibly less to in-school youth, although these modest redirections were not made immediately or simultaneously. Later, under advocacy pressures, women's interests received greater emphasis, as did minority groups other than Black.

METAC: Structure and Role

The CETA 23-member (as of mid-1976) advisory council, renamed the Mayor's Employment and Training Advisory Council (METAC),[5] currently has a substructure of 13 committees (formerly called subcommittees) responsible for different functional areas; in contrast the MAPC had just four initially. Committee chairpersons are METAC members, but other committee members need not be and often are not. Committee members are drawn from agencies with manpower programs, and from other organizations, public and private, in related fields, or are individuals with pertinent experience or technical knowledge. The METAC and its committees meet monthly and more frequently during the hectic one or two months prior to the submission of the grant application or when critical issues arise. All meetings are open to the public. Assigned to each committee is a BMA staff member.

The organizations and individuals on the METAC still reflect the basic orientation of the pre-CETA MAPC. Its members were chose by BMA officials in consultation with key agencies, to reflect their mutual philosophy of community participation and advocacy. The council was conceived as a shield, or buffer, against city officials unacquainted with, or unsympathetic to, the nature and

---

5. From the pre-CETA indentification of MAPC.

objectives of the manpower programs created in the 1960's to fight the war against poverty. The decision to serve only the economically disadvantaged, which has been reiterated repeatedly, is a product of the proponents of this philosophy on the advisory council.

In addition to ten METAC Standing Committees (see Table 1.) with mixed membership, there also are a Membership and Rules Committee, composed only of METAC members, and a Steering Committee, composed of the chairpersons of the Standing Committees. Most of the Committees do more than oversee specific functions or programs. They also are advocates for unique elements of the economically disadvantaged, as for example, the Youth Affairs Committee, the Ethnic Linguistics Minorities Committee, the Substance Abuse Committee or the Women's Committees. Only the Employment Service, and Job Training Committees approach the strictly functional in their concerns.

The committee structure of the METAC evolved as new groups and needs arose but it evolved without explicit consideration of the appropriate membership. It was natural that groups with a direct interest in specific manpower programs would become members. Since FY 1974, the number of committees has grown from four (under MAPC) to the current thirteen, indicative of the expansion in the number of priority groups being served, and of their involvement in the process. The increase in committees is a measure of the responsiveness of the BMA and METAC to local needs.

The composition or size of the committees had never been explicitly specified. This issue had caused uneasiness for some time and came to a head when a proposal submitted by an agency which was not a committee member, was rejected in favor of a proposal of an agency which was a voting member and which voted on its own proposal. The rejected agency raised the question from the floor during a regular open METAC meeting. It is to the credit of the process that the METAC structure permitted this criticism to be voiced, accepted it, and developed guidelines that reduced the influence of agencies on committees and established maximum sizes. Nonetheless, METAC receptivity was in anticipation of imminent changes in DOL regulations that required a restructuring of committee membership.

Table 4 lists committee members by sector affiliation: government, business, including both profit and nonprofit, program operators, clients, technical resource people, and union. The new membership rules required that no sector could comprise more than one-third of a committee and that no agency with a CETA-funded program could have more than one voting member. Furthermore, members of

TABLE 4 - Affiliation of Members of METAC Committees, Boston 1976[a]

Committee	Number of Committee Members	Member's Affiliation (percentage)									
		Government		Business	Program Operator		Client		Technical Resource	Union	Other
		City	State		Funded by BMA	Not funded by BMA	participants	non-participants			
1. Job Training	5	0	2*	0	5*	0	0	0	0	0	0
2. Ethnic/Linguistic Minorities	13	1	1*	0	5*	2*	0	1*	2	0	0
3. Employment Services	10	0	1	3	5	1	0	0	0	0	0
4. Youth	13	3	2	0	6	0	1	0	1	0	0
5. Substance Abuse	10	1	0	0	1*	3*	1	0	5*	0	0
6. Older Workers	14	3	2	1*	2*	5	0	2	1*	0	0
7. Offender's	16	2	2	0	4	2	0	4*	1	0	0
8. Labor Market Advisory	12	1*	2	3	1	0	0	0	1	2*	4*
9. Women's[b]	20	4	1	0	2	4	0	1	7	0	1
10. EEO[b]	8	1	1	2	0	0	2	0	0	0	1

a. Omit PSE, membership and rules, and Steering Committees.

b. Women's Committee and EEO Committee each have one representative of a federal agency each.

*Member allocated to more than one category. If a committee member had more than one affiliation, the member was assigned to each.

agencies which submitted proposals could not vote on them; however, they could participate in the discussions.

The Planning Process

At one time the Steering Committee and the METAC but now only the METAC recomend the basic allocation of funds and priorities, which constitute the annual planning strategy. The individual committees deal with their programs or interests within this framework.

Once an official estimate of the City's Title I allocation for the forthcoming fiscal year becomes known, the planning process begins with the preparation by a staff task force of an annual planning strategy. The latter is presented, along with the staff's justification to the committees for their recommendation to the full METAC. The planning strategy distribute next year's funds by type of program or service, such as institutional skill training, or assessment, and among broad client categories, such as youth or adults, as well as among specific segments, such as ex-offenders. The strategy, of course, can be predisposed towards the existing program and agency mix.

After the METAC has adopted an annual strategy, the staff task force, guided by criteria which the committees have helped devise, examines proposals submitted by the agencies. Next the task force's recommendations about proposals are reviewed by the appropriate committees for their recommendation to the METAC. Committees will also review performance standards recommended by the staff, again passing them on to the METAC for its acceptance. The METAC's recommendations then go to the Mayor for his acceptance. These recommendations constitute the major components of the specific contracts negotiated between the BMA and program operators. Here the Committees, if they choose can also play an active role, although they seldom have.

During the fiscal year, major contract modifications follow the same route. In addition with METAC approval, new contracts for new programs can be initiated by Committees, who recommend the issuance of Requests-for-Proposals (RFP's) along with committee developed and approved criteria.

The METAC recommendation to the Mayor can be influenced by the City Council, because it must accept any Federal funds coming in to the City, as well as approve their use. The Council thus can refuse to approve the Plan, which comes to it from the Mayor, if the Council has its own views about specific programs or agencies. The Council cannot increase a program's funds but it can delete them.

Last year, for example, the Council refused to approve the plan unless a controversial program to place minorities in construction jobs was dropped.[6]

The major issues, then, to which the committees have confined themselves have been the development of performance standards (done in Spring 1975), the review and approval of specific proposals by contracting agencies, and the review and approval of those parts of the grant application within a committee's sphere of interest. The committees so far have received only limited information on an erratic basis about the staff's evaluating and monitoring activities. As a result, committee involvement here has been slight. There has been no regular, systematic reports to committees showing the number of individuals served by programs, the results, and the money expended, nor of the extent to which agencies have met performance standards.[7]

This information gap is the result of the difficulties the BMA has had in establishing a Management Information System (MIS), in part because of political and organizational constraints. In addition, the growth in the number of committees and the large number of METAC and committee members have made the timely dissemination of information extremely difficult. Committee members have been forced to make decisions without adequate information, because of the late arrival of important documents and lack of time to study them. Information is basic to the participatory process if it is to contribute to the success of decentralization and decategorization.

Despite the openness of the advisory system, and the involvement of a large number of agencies and individuals in a vigorous participatory process, the question still needs to be answered whether the additional costs of each member's time and energy and the additional costs of administration have led to corresponding benefits to the planning process itself and to the mix and quality of services? It is difficult to say whether there has been an overall improvement in the quality and effectiveness of programs. Nonetheless, gains have resulted in

---

6. The prime sponsor was able to maintain the program by funding it out of unspent funds from the prior fiscal year.

7. However performance standards have been used regularly by the staff to prepare recommendations about program proposals submitted by agencies. These background analyses have never been released to the committees or METAC. Performance standards also have been used by the staff to help programs improve their performance. A notably successful corrective action followed a special examination in 1975 of skill training programs using agency records of placements and placement wages.

the form of improvements in specific programs (such as skill training following a special staff study that led to corrective action). Moreover, members of the METAC and its committee substructure accelerated development of both the MIS and the evaluation system by constant criticisms in open meetings of the dearth of information for sound decision-making. The BMA staff was extremely sensitive to the frequency and frankness of these comments. They proved increasingly embarrassing.

The time and energy devoted to participatory decision-making has not yet led to significant changes in terms of innovativeness or local adaptability, the key justifications of CETA. Still, the system was able to incorporate three rather successful youth programs (one a national demonstration project). New agencies represented by new groups were the vehicles for innovation. Their entry nationally caused conflict, because they became rivals for funds and had the potential of becoming articulate spokesmen for the same (or similar) clients. Moreover, the pooling of agency experience and wisdom has led to improved technical and operational decisions and possibly to better planning and policy decisions. Beneficial changes in existing programs have occurred, but these have not been widespread nor substantial.

On the other hand, the intrusion of local political considerations in the recommendation of specific activities and agencies could have weakened the system as a source of help to disadvantage minority groups, because of a lack of political organization and relatively few votes compared to other groups. This has happened just once and then temporarily.[8] Most of the conflict has occurred among disadvantaged groups, including minorities, contending for a shrinking pot of money. The system potentially has become more vulnerable to local pressures to divert manpower funds to uses of dubious merit, questionable, that is, if the criterion is one of raising the employability of the chronically poor. Overall, then, there has been no deterioration in services and some gains in their quality, with potential for more.

The METAC also was designed to make an independent contribution as a system of checks and balances to protect the legitimate interests of different groups and to insure an equitable distribution of CETA resources. Over the longer run, such a system was likely to prevent domination by any one interest, a goal of special importance where many diverse groups have great needs but the resources to meet them are scanty.

---

8. When the City Council refusal to agree to the inclusion of a minority hiring program in construction in the FY 1977 plan.

An open decision-making process probably was needed to protect politically weak and vulnerable community agencies and their economically disadvantaged clients, as well as to prevent the use of programs for the political advantage of city officials. The METAC's predecessor, the pre-CETA MAPC, was fashioned as such a safeguard. The METAC perpetuated this role. The METAC's openness, accessibility, and composition, including the substantial agency representation, were intentional. They were to minimize the chance of secret, politically dominated decisions inimical to the interests of existing community based agencies serving the poor. The decision to restrict the prime sponsorship to the City, rather than include the other communities covered by the MAPC, had a similar purpose. It was feared that these, two of which were relatively affluent, would object to a policy of serving only the economically disadvantaged. It also was questionable whether one and possibly a second community were part of Boston's labor market, as defined by commuting possibilities.

The deliberately nurtured openness and accessibility of the METAC was responsible in an important way for the evolution of a more cooperative relationship between the agencies and the BMA, after an initial year or longer of acrimony and distrust that contributed to the BMA's administrative failings. The METAC offered a forum in which serious concerns could be aired, particularly by community agencies most endangered by the pending cuts in Title I allocations.

The refusal of the BMA to disproportionately reduce any single agency and the METAC's adoption, despite the BMA's opposition, of a local "hold-harmless" formula, also played important roles. But both were products of the council and its process. The METAC was a visible symbol that Title I programs belonged to the city's poor and their agencies. Representatives of these agencies had helped design the Council and had significant roles in its decision-making process. The METAC structure precluded City Hall domination of the process, even if it had so desired, and precluded the possibility of political encroachment upon, or even the absorption of, agencies and their programs.

The fact that some decisions had to be privately negotiated does not vitiate this conclusion. Such decisions came to the METAC for its approval, and if they had not, could have been appealed to it. One weakness of the METAC, of course, was the difficulty outside agencies had penetrating the system. Yet they did, and probably will continue to do so.

BMA: Internal Organization and Functions

The comparatively low priority given by the Mayor to Title I activities has meant a lack of serious involvement and direction at this level. These programs have not been a critical concern to the Mayor for a number of possible reasons: the danger of white backlash, especially in an election year in which school integration was an important issue; the relatively small share that CETA Title I money is of the total city budget; and the seriousness of other municipal problems. The Mayor's office in effect has left the BMA considerable freedom to develop its own policies. Perhaps the inevitable consequences of establishing a new office, the BMA has been unable to escape a pattern of "crisis" management, and adopt a style of deliberate long-range planning and decision-making guided by explicit detailed goals.

The absence from the start of City Hall interest in Title I programs was an asset. Left to develop unimpeded was the participatory process and its inclusion of agencies and groups representing the disadvantaged that assured continuation of programs already serving them. The existence of the Council in turn greatly reduced the likelihood of City Hall efforts to impose its views on Title I activities (but not, as noted below on the BMA's freedom to hire, fire, and reward its staff).

Not unlike other prime sponsors, the BMA subcontracts the city's Title I employment and training programs, making the BMA strictly an administrative body. It also subcontracts some of its administrative functions. Monitoring of youth programs has been assigned to the City's Youth Activities Commission, and follow-up to a private non-profit institution. Nonetheless, the responsibilities of the BMA are vast. The employment and training network in Boston is complex. There are many diverse interest groups, and many rivalries among program operators and among client groups. There are also conflicts between the BMA and other public bodies. The intensity of the conflicts and rivalries have softened considerably since the first year or more of the CETA as agencies recognized that they were not going to be destroyed and as they acquired a meaningful voice in the decision-making process.

The staff of the BMA needed the managerial skills, sensitivities, and personalities to accommodate these competing interests, as well as considerable understanding of manpower programs. Many of the original staff lacked these critical qualifications. Staff quality and dedication were mixed. In some cases, high calibre people were obtained and remained part of the staff; in

other cases, potentially able people did not perform satisfactorily because of a lack of commitment, or left by the time they had become experienced for more permnent employment or for advancement. Turnover, especially in the first two years, has been high, making it difficult to establish a well-integrated, coordinated organization. The staff's lack of civil service status had its toll. Furthermore, the Manpower Administration was not helped by inheriting a staff with conflicting loyalties because a top administrator remained employed at the BMA after being superseded.

The background of the staff has remained diverse in terms of education and experience. The two top officials have spent many years as administrators of manpower programs, both rising from relatively low positions in community action agencies that are now important contractors. Key staff personnel have an understanding of manpower programs and of local political realities, but lack the same grasp of administrative personnel practices. In contrast, many of the other staff have had some manpower experience, but in limited spheres. Few have had professional training in manpower or economics, and none have had formal training in personnel management and in administration, nor in statistics and evaluation techniques.

The political nature of city employment has not let the BMA have enough freedom to hire whom it wants on a merit basis, nor has it been free to remove staff members for poor performance. There has been inefficiency and inaccuracy in the work of the BMA staff who act as liaisons between the BMA and agencies, and who provide crucial information to the METAC committees. It is not always clear whether these deficiencies are due to inadequate internal communication or due to the personal qualifications and motivation of some of the liaisons. Despite the political constraints on BMA administrators, over time staff effectiveness has improved, exceptionally able people have been hired, and on balance the calibre of the BMA staff now probably is the same as that of the Regional ETA.

Boston was not prepared to assume its prime sponsorship until October 1974, the beginning of the second quarter of FY 1975. During the first quarter the DOL had to directly fund contractors. The BMA expended considerable effort in the first fiscal year to establishing a viable organization despite the existence of a planning staff for over a year. The first year also was a trial period in which the authority of the BMA and METAC was tested by the agencies. Existing contractors, especially community agencies, were highly

suspicious of the City's intent, anxious about its political intrusion, and dismayed about inevitable funding cuts under the Title I allocation formula. The agencies saw their survival threatened.

At the same time the BMA's authority over the agencies was seriously compromised by the lack of a reliable MIS and by staffing problems. The BMA had to share control over hiring decisions and was hurt by the turnover, which was in part a direct consequence of the former constraint. Agency distrust and the BMA's information hiatus precluded a rational choice of agencies and programs; planning was administratively impossible. Deteriorating economic conditions in the area, which impeded chances of meeting program goals exacerbated the problem, making agencies even more reluctant to cooperate in developing an MIS, having no firm commitment that their data would not be turned against them. The fact that the goal of the initial MIS effort seemed to be one of identifying ineligible enrollees confirmed agency fears. A serious irritant was the known hostility of a few of the BMA staff toward certain agencies whose performance was thought to be poor, their program data unreliable, and their administrative expenses excessive.

Role of the Regional ETA

During the transition period, unfortunately, the regional ETA had to reduce and reassign its staff; it probably could not have undertaken as assertative an advisory role as it would have liked. To the BMA, the regional office seemed less an initiator of action than a reactor to problems of prime sponsors. From the viewpoint of prime sponsor, the regional office did not provide help when it was sought at critical junctions, so that problems intensified and became sources of censure and embarrassment. In some cases, the regional office may have been unable to provide prompt, clear cut answers because of national office indecision. However, BMA people thought there was too few regional staff assigned to Boston, and too little continuity in those assigned, reasons enough for communication delays. In addition, older, experienced members of the BMA considered some of the regional office representatives assigned to Boston as young, and without enough familiarity with local manpower complexities and without enough decision-making authority to be helpful in resolving politically sensitive issues. These attitudes led to resentment reflected, for example, in a conspicuous absence of BMA personnel from (or erratic attendance at) training sessions conducted by the regional office's Manpower Training Institute (MTI). In turn, this apparent indifference persuaded the regional office that

the BMA did not want help, and contributed to a mutual questioning of motives. Regional office staff are convinced that better attendance of BMA personnel at these meetings would have enabled the BMA to avoid a number of administrative pitfalls, including the failure to establish a satisfactory financial management system (FMS).

The CETA PSE staff felt even more keenly about what they considered a lack of initiative on the part of the regional DOL. They felt that if it had been less passive, some of the serious problems later encountered over eligibility and other alleged infractions of regulations could have been prevented. They bemoaned the indecision, delays and ex-post facto changes in regulations and in their interpretation. It is difficult to reconcile their complaints with the fact that the regional office earlier had criticized the City's administration of PEP in a formal report and was alert to prevent similar problems with PSE. However, by then there probably was enough mutual suspicion regarding motives to hinder a constructive collaboration.

Probably more fundamental was that the help sought by the BMA was not strictly technical or even interpretative. Caught between the needs (and early fears) of its contractors, the BMA needed help in resolving conflicting political pressures that was administratively impossible for the ETA to render. Moreover, the BMA's initial perception was that the regional office's role was to help the prime sponsor achieve its goals, if it sought help, but otherwise not to intefere. The City's PSE staff shared these views. But they also were caught between antithetical pressures, the expectation of a City administration in an election year, and Federal regulations calling for impartial access to publicly funded jobs.

Contrary to the BMA's perception, from an outsider's perspective, the calibre, candor and cooperativeness of the regional DOL staff assigned to Boston has been impressive. In general, these personnel have been knowledgeable, hard-working, not insensitive to local political and organizational nuances, objective, but not rigid. However, they have been spread thin, and have found few chances to visit agencies. They may also have been handicapped by the inability of the BMA to quickly develop an internal information system. The information has been available in organized form in the agencies but has remained inaccessible for systematic and continuous monitoring and evaluation by the BMA and for the preparation of reports needed by the regional office.[9]

---

9. A single source of most manpower funds in an area has simplified the research task of gathering data.

In the first year of CETA, there were two regional liaisons with the prime sponsor. Both individuals had been assigned to Boston during the pre-CETA period of categorical programs and had helped usher in CETA. Neither was inexperienced or unacquainted with Boston's problems. However, by the second year there was only one liaison. By the third year, this individual had left and had been replaced by a person with considerable experience but in another area.

Regional ETA representatives worked closely with Boston in helping implement CETA. Short of doing the task themselves, it is difficult to see how they could have done more. Their counsel about a variety of issues helped the BMA resolve its funding dilemmas. However, the regional staff, despite technical advice and constant urging, were unable to speed early development of two essential administrative tools. The sparse content of the quarterly reports required by the DOL might have misled the BMA, and possibly even the regional offices, about the priority to be given to developing these tools.

Admittedly the regional staff were unable to devote as much time as it would have liked to personal contacts and on-site visits. Changes in congressional funding during the first fiscal year required modifications frequently enough to divert a substantial proportion of the time from field work to processing paper flow. In addition, staff time had to be shifted from Title I issues to investigate charges levied against the City's PSE program.

Nonetheless, the regional ETA was instrumental in establishing a FMS in the BMA, in forcing development of MIS, and in the BMA's implementing of affirmative action procedures. The regional office also was critical in speeding reform of the administration of PSE.

The BMA had to react when the DOL rated the performance of the Boston prime sponsor as unsatisfactory in FY 1976 because of inadequate financial reporting.[10] An acceptable FMS was installed by a regional ETA fiscal expert on temporary loan to the BMA. Furthermore, if it had not been for constant pressure from the regional office, the development first of a manual and then of an automated MIS might have been delayed even further. (The automated system still has a few lingering problems to solve before it becomes fully operative.) The establishment of an EEO committee of the METAC and the appointment of an affirmative

---

10. Only 20 other prime sponsors including Massachusetts Balance of State, out of the nation's total of 431, were rated unsatisfactory. Ten of the 21 unsatisfactory prime sponsors were in the three states of New York, New Jersey and Indiana, and ten were older cities, or included older cities, with substantial urban decay. Only 6 of the 21 were not in East Coast States or Puerto Rico, and only one was west of the Mississippi River. Differences in regional office application of Federal regulations might be involved.

action officer were the result of simultaneous pressure from both the DOL and the Women's Committee. These results, among other things, suggest the necessity of a continuing federal presence.

City manpower administrators contended that the Regional ETA failed to provide adequate technical assistance. It is difficult to measure adequacy, but the Regional DOL staff did make personal visits to the BMA, and the regional office also conducted one-day and two-day training sessions in a wide range of subjects and at varying degrees of depth for Region I prime sponsor staff and advisory council members. According to the Regional DOL, the reduction in its personnel and the inability to reallocate staff promptly because of civil service restrictions prompted the regional office to develop a group basis for providing technical aid through conferences and seminars. The initial emphasis was on monitoring and prime sponsor administration, not planning. There were some inherent but temporary limitations. Few of the ETA staff had conducted classes before; few had had formal classes in economics or in manpower. The staff of the prime sponsors varied widely in education, experience and knowledge of manpower affairs. Over time, teaching experience has been acquired, and methods devised to handle diverse groups with disparate backgrounds more effectively.

CETA FUNCTIONING IN BOSTON

Boston, under the MDTA, had established sophisticated agencies which administered a wide range of categorical programs. The two largest continued to be community based organizations. ABCD, the largest, is Boston's Community Action Agency, the other is OIC. The third large one was the former MDTA multiskill center operated by the Boston School Department (BSD). A fourth, Dimock Health Center, was an outgrowth of the controversy between the Black community and the multi-school center.

ABCD runs (1) a network of Neighborhood Employment Centers (NECs) mostly on Community Service Agency (CSA)[11] dollars; (2) short run institutional skill courses, (3) adult work experience programs, and New Careers; (4) basic educational classes, ESL classes, skill training, and work experience for out-of-school youth; (5) work experience for in-school youth; and (6) for the last few years, the City's summer youth program.

OIC principally offers institutional skill training, basic education and ESL classes for adults; one of its skill training courses is a feeder for an OJT consortium. Boston's OIC continues to be highly regarded locally by manpower specialists and by important business groups. The Boston School Department has been a power unto itself and the Mayor does not have direct authority over it, except that the city council can reject increases in the budget compared to last year. Dimock offers institutional training in a variety of health occupations, with referrals to private voluntary hospitals in the City.

The ABCD (and to some degree OIC) has political clout of uncertain dimension, because Blacks are not a numerically large force in Boston, nor well organized politically. ABCD has been prone to confrontation politics, which had been successful in past dealings with Washington.

Changes Under CETA

Under CETA, changes both major and minor, have occurred with respect to the roles of agencies, the kinds of programs offered, and the characteristics

---

11. Formerly OEO dollars.

of the clientele served. These will be discussed in the following pages. However, the structure and priorities of Title I activities have remained essentially the same as they were just prior to CETA. Moreover, two of the three major changes were not the direct result of CETA. These two were the eventual abolition of the Skill Center and the declining role in the first two years at least of the Massachusetts Division of Employment Security (MDES). These changes were the result of either external pressures, the consequence of forces underway prior to CETA, or both.

As noted already, senior BMA staff were responsible for a number of critical policy decisions at an early stage in the period of administrative decentralization that preceded CETA. These decisions protected the status quo. The Manpower Administrator persuaded top city officials that employment and training programs should serve the poor, that the BMA should subcontract all programs to other agencies, operating none itself, and these should be the existing manpower organizations and activities. Perpetuation of the established system was dictated by necessity and its nature.

The City itself had no experience operating such programs, and the BMA would have been hard pressed to create, let alone justify, substitute agencies. CETA had legislated protection of agencies of "demonstrated effectiveness." Even if it had desired, the BMA had no data with which to challenge existing contractors on the grounds of performance.

Second, the existing system met senior staff preferences for a structure of decentralized, varied programs serving a variety of economically disadvantage groups. Like Boston's population itself, the poor were heterogeneous. In addition, the existing agencies and program had been expressly created to help the poor. Although an adverse political reaction from the community might have occurred if community based agencies had been dropped, the critical factors were the lack of realistic alternatives and the desirable purposes and characteristics of the established contractors.

One major change, the establishment of Assessment Centers, was initiated by the BMA itself. The Assessment Centers were designed to diagnose the manpower needs of clients, and to centralize and rationalize the referral process, as well as to develop links between agencies. It was also expected that the centralization of the assessment process would help control administrative costs. Finally the centers were essential to the BMA if it were to plan and control the intake and allocation of clients, because a large part of the existing intake system (the NEC network) was not financed by the BMA. Had the NEC's been under the complete control of the prime

sponsor they could have been rationalized and made the Assessment Centers unnecessary.

All the expectations for the Centers have not yet been met. Each of the two major community agencies has one or more of its own Centers, usually in distinctively ethnic neighborhoods inhibiting racially integrated use. These have tended to refer clients to the programs of the agency involved and few clients to the others. In some instances, enrollees have been pre-selected by programs and then routed through the Centers. Finally, some new innovative techniques have been installed but remain underutilized because Assessment Center staff have not always been taught to use them or have lacked the time to learn. The Centers have enabled the BMA to meet its central goal of controlling applicant flow, and possibly some of its cost minimization goals by consolidating assessment activities but not those interagency coordination and quality diagnosis.

The second major change was the declining role of the MDES. In the middle 1960's, a conflict, fired by the rhetoric of those days, arose between the emerging, aggressive ABCD, on the one hand, and the MDES and state and local school authorities, on the other hand. The latter were the traditional public agencies responsible for MDTA training and referral services. ABCD, seeing itself as the spokesman for the city's disadvantaged, charged that the MDES and the MDTA neglected those most in need of help. MDES offices and MDTA training sites were inaccessible to inner city residents, MDES and MDTA personnel were insensitive to the unique problems of the poor, and the programs maintained excessively stringent educational requirements that most disadvantaged applicants lacked. The MDES as a job referral agency was said to offer minorities only menial, poorly paying jobs. ABCD's justification for creating an inner-city chain of neighborhood employment centers was to give the disadvantaged access on their home grounds to decent jobs and to an integrated array of manpower programs.

In retrospect, the retreat of the MDES already had begun. The NECs in effect had taken over responsibility for providing MDES services to residents of poverty areas. In practice, a large proportion of these services were given by outstationed MDES personnel under subcontractual arrangements between ABCD and the MDES. The initial acrimony between the two agencies was replaced by a more cooperative, if sometimes uneasy relationship on the operating level well before CETA.

However, since CETA, the MDES withdrew even more from directly serving the disadvantaged and reverted to its original philosophy of meeting employer needs. The MDES continued to be responsible for making allowance payments to classroom program enrollees, but no longer administered OJT programs, was relieved from disbursing payments to employers with OJT contracts, and no longer had the role under the MDTA of referring applicants to programs or for selecting occupations for training. The DES presently plays a relatively small part in the recruitment and referral system for Title I manpower programs. In addition, and probably more important, the outstationing of staff in ABCD facilities steadily declined.

It is questionable whether the MDES really objected to its reduced role. Its priorities had shifted. It was under pressure from the DOL to improve its placement record and to reduce costs; it was under pressure from a new State Administration to serve employers better. Finally the one training facility for which the MDES had referral and placement responsibilities was closed as a consequence of a court order over school desegregation. For its part, ABCD was not opposed to the MDES' withdrawal. Facing cuts in both its Community Service Agency and manpower funding, ABCD preferred to employ its own staff in positions it had subcontracted to the MDES.

The final major change was the effect of Federal District Court Judge Garrity's ruling with respect to Boston School desegregation on the Boston manpower delivery system. The Judge ruled that the school system had to provide vocational training on an integrated basis for school dropouts. It was left to the BSD and the City to decide how this was to be done. The decision was made (outside the regular Advisory Council process) to use the Skill Center as the training facility, with the money to operate it supplied by the Governor's special grant for Vocational Education ("CETA 112"). Since CETA funds were paying for the training, CETA funds had to provide stipends as well. The use of Title I stipend money meant that enrollees had to be eligible for Title I services, that is, in Boston the trainees had to be economically disadvantaged.

The major effect of the ruling would have transferred resources that had been devoted primarily to adults, a substantial proportion of whom were white, to youth whose racial composition was to be integrated. With the refusal of the State Division of Occupational Education to approve the use of the Skill Center without a change in administration, the court vacated its requirements

that out-of-school youth be trained. The result was that the Skill Center operated by the BSD had been eliminated when our field research ended. Alternative use of the CETA 112 resources released by the closing was arranged temporarily for the rest of FY 1976 in the form of purchase-of-services from private nonprofit, educational institutions and community agencies not previously used.[12] The sudden availability of the CETA 112 resources was used as an opportunity to experiment with new institutional arrangements for youth.

New Programs under CETA

During CETA's first fiscal year three new agencies, all with programs serving youth, were added, and two existing youth programs were expanded by incorporating distinctive projects. In addition, as just noted, the closing of the Skill Center in 1976, later permitted the BMA to temporarily refer Youth to semester length classes in secondary technical schools, such as Wenthworth Institute.

The three additions in the first year were Roxbury Tracking, the World-of-Work (WOW), and Rent-a-Kid; the enlarged programs were those for out-of-school youth and for in-school youth, both managed by ABCD. The addition to the out-of-school programs were entitled YAC-EDCO. YAC is the City's Youth Actitities Commission, and EDCO is Educative Collaborative, an alternative education project funded by private foundations and by the Department of Health, Education and Welfare (HEW). EDCO combined work experience with formal education leading to a high school diploma, which was not available from ABCD's out-of-school program. YAC, which was instrumental in initiating this change, and which arranged for the initial work sites in city departments, saw EDCO as a source of help for potential or actual school drop-outs and juvenile delinquents.

The addition to the in-school program was the Health Careers project in a prestigious private non-profit teaching hospital. The project sought to provide long-run career oriented work experience and education to in-school youth, instead of shorter-run, and largely, income maintenance jobs. Health Careers was to serve the same students until they graduated high school. Its

---

12. CETA 112 resources will be used to help operate a training center being established by the City's Economic Development and Industrial Commission (EDIC) on land formerly part of the naval facilities closed down in 1974. The City hopes to develop a marine industrial part there. The training itself will be conducted by the educational institutions now providing purchase-of-services.

goals were to attract youngsters into the medical professions. The director of the program needed additional money. He tried to establish a relationship with ABCD, the in-school program manager, and pressed the issue with the METAC after being rebuffed by that agency. It was the METAC process that eventually led to the incorporation in the in-school program of the Health Careers project. Along with WOW, it was among the more imaginative of the programs added under the CETA and one of its more successful ones.[13]

WOW in Boston was part of a national Title III pilot project in its final year of funding. Its local sponsor, the Boys Club of Boston, saw the METAC as a last hope. WOW was well-managed, and had demonstrated a willingness to innovate despite the risks involved. It was providing practical world-of-work orientation and effective job development to disadvantaged high school students, who participated without stipends. (It later received METAC funds to extend this program to Spanish-speaking youth, the only program helping this group in this way.)

Roxbury Tracking was receiving Law Enforcement Assistance Administration (LEAA) and State Division of Youth Services (DYS) money to help rehabilitate juvenile delinquents in a community environment. The program wanted to add work experience to its counseling and remedial education services.

Rent-a-Kid was a coalition of separate non-profit neighborhood projects referring younger teenagers (thirteen and older) to odd jobs in their neighborhoods. Originally, services were available irrespective of family income. Funds were sought to pay local job developers and to provide city-wide nonduplicative job development and coordination. The program initially had not considered the possibility of developing links with other manpower agencies as its clientele became older so that they then could more easily enter an older teenage labor market offering steadier work.

It should be stressed that all but one of these changes occurred during the first fiscal year of CETA. The YAC-EDCO and Health Careers projects were channeled through an agency already part of the Boston employment and training system; WOW, Rent-a-Kid and Roxbury Tracking were new to it. They were financed chiefly by unspent 1974 summer youth money that would have been lost by the prime sponsor if alternative uses could not be quickly found.

---

13. With the loss of its first director and later his replacement, the status of this program has become clouded.

Most of these new programs had two other features in common. They joined the system bringing along nonCETA money, thus magnifying the resources of the Prime Sponsor. Moreover, their entry came about because of their persistence and over the opposition of stubbornly reluctant CETA-funded agencies.

Still, these five additional programs accounted for only a small share of the Prime Sponsor's Title I funds. For example, in 1975, Rent-a-Kid received $60,000; WOW, $23,652; and Roxbury Tracking, $30,000. The amount of money allocated to Health Careers and YAC-EDCO is not available, since the figures are included in ABCD's in-school and out-of-school budgets, but their combined funding probably was less than $100,000. In contrast Boston's Title I allocation for the last three quarters of FY 1975 was $7,593,646 compared to Title I funds allocated to youth programs (over $1,000,000), these five additions were small (even without the summer youth program).

There were other modest changes in existing programs as well. The combined impact of these minor changes and the previously mentioned major ones, was greater diversity with respect to the groups served, the suppliers of services and the nature of these services. The shift, slight as it seems, was from community and public agencies offering manpower services to private and public agencies offering social services as distinct from labor market services. There also was some increase in the proportion of shorter programs, resulting from the elimination of the Boston Skill Center (where programs were open-ended). However, its closing permitted an expansion of the number and variety of suppliers of services, as a result of subcontracting training to private non-profit schools never before part of Boston's manpower system. The length of these courses reversed any shift to shorter programs that had occurred.

Up until FY 1976 the trend was toward shorter work-orientation programs and job placement services. The proportion of skill training to recruitment and assessment declined. However, FY 1977 planning abruptly reversed the shift from job placement, as well as from recruitment and assessment, back to programs.

Of all the changes mentioned above, it appears that potentially the most far reaching were those flowing from Judge Garrity's initial school integration decision to serve school dropouts. The later vacating of this requirement meant that the BMA was free to redesign and reorient its vocational training, long controlled by the BSD. However, abandonment of the Skill Center also meant the loss of competent instructors, long experienced with disadvantaged enrollees, and the loss of one facility in a racially neutral

location and another facility with a high proportion of white enrollees.

Client Characteristics

Title I enrollees were drawn from a much different population than PEP and PSE enrollees. The former were much younger, less educated, and much more likely to be females and minorities. All were economically disadvantaged. During the last 9 months of FY 1975, 45.1 percent of the Title I enrollees were 21 or younger, slightly over 50 percent were females, 54.1 percent had not finished high school, and nearly two-thirds (65.1 percent), were minorities, nearly 15 percent of all enrollees were Spanish speaking. See Tables 5 and 6.

In contrast, most of the PEP and PSE enrollees were over 21 years of age (70.0 percent in PEP and 89.2 percent in PSE), were males (75.8 percent and 72.4 percent, respectively), and had a high school education or better (73.2 percent and 81.7 percent, respectively). Almost three-quarters in PSE were white, but only somewhat over half of those in PEP. PEP and PSE included relatively far fewer of the poor compared to the 100 percent in CETA Title I. The typical PEP and PSE client was comparatively well-educated white male above the poverty line, although PEP did have a substantially larger representation of young people, minorities and the poor than PSE. Probably the most glaring omission in Title I, PEP and PSE were older workers, 45 and over.

These demographic differences in enrollee characteristics in part reflect the distinctly separate referral routes used by Title I programs on the one hand and PEP and PSE on the other. Title I programs recruited through the NEC-Assessement Center network; PEP and PSE through the "CETA" office in City Hall.

If we examine preCETA data, comparing MDTA enrollees with CEP enrollees, we also find that the two served a different client population. The MDTA participants were more like those in PSE than in CETA Title I programs. Combining MDTA-CEP enrollee characteristics thus would mask significant differences in the kinds of people served. A greater percentage of CEP clients were female, and CEP served a much younger group than did the MDTA. In the MDTA, 28.0 percent of the enrollees were Black, compared to 56.0 percent in CEP. Nearly 90.0 percent of the CEP enrollees were minorities while only about two-fifths of the MDTA enrollees were.

All CEP enrollees were classified as disadvantaged,[14] compared to 79.6 percent of the MDTA clientele. No educational data were available for the MDTA programs, so such a comparison is not possible. However, over 60 percent of the CEP clients had less than a high school education. In general, MDTA trainees were predominantly white males of prime working age.

A comparison of the demographic characteristics of clients served before and after CETA show significant changes, even when MDTA and CEP data are combined. A higher proportion of CETA Title I enrollees were younger (45.1 percent were 21 and under compared to 38.2 percent before CETA). Somewhat more whites, relatively, are being served by CETA; in addition, the traditional minority groups, the Blacks and Spanish speaking, have been displaced to some extent by newer minorities, such as Orientals. The Spanish speaking suffered a 20 percent decline, and the Blacks, a 23.5 percent. Still, both before and after CETA, substantial proportions of Blacks and Hispanics were or have been enrolled. MDTA enrollees are omitted from the pre-CETA educational distribution (these figures were unavailable), but Boston Skill Center enrollees are included in the post-CETA distribution. However, there probably has been some shift in favor of the better educated. Discussion with staff members and agency representatives, as well as views voiced at committee meetings lead to this conclusion.

The demographic characteristics of WIN participants shifted in the same direction, but even more so. Since 1973 a larger proportion of Whites have been served (about half in 1973 compared to almost two-thirds in 1975); the percentage of Blacks and Spanish-speaking declined. The educational level of WIN participants also seems to have increased.[15]

Despite earlier plans to coordinate WIN with other manpower programs, success so far has been minimal.[16] Although a liaison exists between WIN and the BMA, attempts to establish an integrated system have faced many obstacles. Each potential partner had little to gain, and each wanted an unequal exchange. WIN wanted free institutional training for its clients that would cost the BMA

---

14. CEP was designed to serve only the disadvantaged. Under CEP the term disadvantaged was applied to poor people who also had characteristics considered to be labor market handicaps such as being a minority group member or a school drop-out.

15. Data obtained from the Mass. Division of Employment Security.

16. A new effort began in FY 1977, however, with the BMA, MDES and Department of Public Welfare collaborating in a joint CETA/WIN demonstration project for 16-18 year old high school dropouts receiving AFDC benefits.

Table 5 - Percentage Distribution of Clients of PEP, PSE and CETA Title I Programs, by Personal Characteristics, Boston Various Years, 1971 - 1975[a]

Characteristic	PEP	CETA Titles II and VI	CETA Title I	
			Percent	Absolute
Sex				
Male	75.8	72.4	51.1	3276
Female	24.2	27.5	48.9	3131
	100.0	99.9	100.0	6407
Age				
18 or less	12.9	0.1	18.1	1161
19-21	17.1	10.7	27.0	1725
22-44	61.2	73.2	47.2	3022
45-54	5.5	8.3	6.5	419
55-64	2.9	5.9	1.2	78
65 & over	0.4	1.8	0.0	2
	100.0	100.0	100.0	6407
Education				
8th and under	6.7	3.6	11.0	709
9-11	20.1	14.7	43.1	2758
H.S. grad	41.7	46.7	34.5	2213
Post H.S.	31.5	35.0	11.4	727
	100.0	100.0	100.0	6407
Race[c]				
White	54.9	72.1	34.9	2236
Black	34.2	24.2	36.7	2354
Other	6.4	3.6	14.9	956
	95.5[b]	99.9	86.5	5546
Ethnicity				
Hispanic	8.5	3.5	14.9	955
Economic Status				
Disadvantaged	50.6	37.6	100.0	6407

[a]The data for PEP enrollees were cumulated over a much longer period than the data for Title I and PSE enrollees. However, the characteristics of PEP clients showed little change over time. The specific time periods covered are:

PEP	Section 5:	September 1971 - November 1975
	Section 6:	November 1971 - July 1974
PSE	Title II:	September 1974 - July 1975
	Title VI:	January 1975 - July 1975

[b]Discrepancy in total in original data.

[c]PEP and CETA Title I figures by race excludes the Hispanic, but CETA Title II and VI racial figures include 75 Hispanic who were distributed among the three racial categories without explanation.

Table 6 - Percentage Distribution of CEP and MDTA Clients, by Personal Characteristics, Boston, 1972 - 1973[a]

Characteristic	CEP[b]	MDTA[c]	CEP and MDTA Combined	CETA TITLE I
Sex				
Male	47.3	60.3	51.5	51.1
Female	52.7	39.7	48.5	48.9
	100.0	100.0	100.0	100.0
Age				
18 or less	14.3	9.0	12.6	18.1
19-21	25.7	25.4	25.4	27.0
22-44	57.0	55.0	56.4	47.2
45-54	3.2	8.6	4.9	6.5
55-64	1.0	1.8	1.3	1.2
65 & over	0.0	0.0	0.0	0.0
	101.2[e]	99.8[e]	100.0	100.0
Education				
8th & under	18.5	NA	18.5[f]	11.1
9-11	43.8	NA	43.8	43.1
H.S. grad	36.2	NA	36.2	34.5
Post H.S.	2.4	NA	2.4	11.4
	100.9[e]		100.9[e]	100.1
Race[d]				
White	11.8	59.7	27.3	34.9
Black	56.0	28.0	47.0	36.7
Other	8.7	3.3	6.7	14.9
	76.5	91.0	81.0	86.5[g]
Ethnicity				
Hispanic	22.9[e]	9.0	18.4[e]	14.9[g]
Economic Status				
Disadvantaged	100.0	79.6	93.4	100.0

[a] CEP and MDTA data include only people entering classroom training programs; excluded are those referred directly to jobs or to programs other than classroom.

[b] Cumulative data for October 1, 1972 to May 30, 1973.

[c] Cumulative data for FY 1973.

[d] Excludes Hispanics.

[e] Discrepancy in original data; absolute totals for each characteristic were not always the same.

[f] CEP clients only.

[g] October 1, 1974-June 30, 1975. Includes all enrollees regardless of program or service received.

stipend money at a time that its contracted agencies had a surplus of eligible applicants. In turn, the amount of supportive services WIN could supply was limited. Integration of two different institutionalized intake systems might have posed additional problems that would have exacerbated relationships with the community agencies.

Given the pressing issues deluging the BMA and the limited number of able staff, WIN-CETA integration received a low priority. Greater integration with WIN might reach more of the severly disadvantaged poor, and also might augment limited manpower resources, even if the gains were less than each side desired. For example, all those eligible for WIN would be eligible for CETA programs. If the BMA had jurisdiction over WIN, greater use of family services with preventive potential might be possible; a higher proportion of female clients probably would result. In addition, duplication of effort in intake and job development might be reduced.

Problems of Funds

Despite the above-mentioned changes in kinds of clients, the dominant manpower agencies before CETA continued to be the dominant agencies after CETA; and the programs remained much the same with the exceptions already discussed. Although CETA Title I allocations were automatically shrinking each year, the Boston prime sponsor was able to postpone reductions in overall operating levels through FY 1976 (and through FY 1977 as well, it later turned out).

A "hold harmless" formula had been adopted by the METAC over objections of the BMA staff. This formula maintained the operating levels of the established agencies. The reousrces to honor this came from lag funds, as well as the BMA's success in tapping other CETA sources.

Boston entered its prime sponsorship with a surplus whose existence may have been suspected by senior staff but whose substantial size was not, because of the basence of a coordinated internal fiscal system. Individual agencies had difficulty determining their own budget positions at specific points in time. In turn, the BMA, had still to develop, let alone complement, a system of financial accountability. As a result each year Boston underestimated the money it had available and hence did not fully allocate it. This financial cushion did more than prevent serious operating cuts; it also allowed the introduction of new agencies and programs, thus giving the BMA a chance to experiment with new methods or to provide special programs for unique groups

among the economoically disadvantaged.[17]

Only by the end of 1977 did the lag cushion become exhausted, but it was not until a apecial study was made in 1976 by an ETA official that the precise dimensions and sources of the surplus were realized. This information was not shared with METAC members.

A variety of sources apparently contributed to the surplus (about $1,500,000) which was chiefly in the form of unexpended stipends. For example, during the first fiscal year a large part came from underspending in pre-CETA categorical contacts. The DOL had let contractors spend these funds until October 1974. In some cases the source and amount was clear: lagging OJT contracts, a reallocation of unspent regional funds in FY 1975, the willingness of the City to divert unspent Title II funds to Title I programs or a special CETA 112 allocation. The BMA was hard pressed to refute agency unsubstantiated claims that "more money" was "really" available.

Not to reassign lag money once discovered, was viewed as a cardinal sin. It was unthinkable not to use funds when there were so many poor people needing help, and in particular when spokesmen for special groups were actually seeking it. There also was the danger of forfeiting unspent money.

At the end of the first year the newness of the decision-making process, the limited time available, and the fact that the agencies did not have acceptable projects, left the staff so anxious to find alternative uses for unspent money that they informally solicited them. With allocation costs each year, and the reduction in lag money over time, the hold-harmless formula adopted by the METAC could no longer be maintained.

Besides the continuing cuts and the reduction in lag money, other factors seemed to preclude continuing at 1976 operating levels in the next fiscal year. These other factors included Judge Garrity's decision, which in effect took the stipend money from the BMA's direct control and allocated it to youth;[18] the increase in the minimum wage; and the necessity for work experience programs to pay this minimum, and other benefits, including unemployment insurance. Over time not only did the total amounts allocated to the prime sponsor decrease, but

---

17. In particular, ex-offenders and drug addicts, older workers, women, and Orientals. Each group was well-represented on the METAC by alert and articulate spokespeople. In short, the METAC was being responsive to local groups.

18. The order seemed to require serving more individuals than before and hence would have meant an increase in stipend outlays unless payments per enrollee could be cut.

the proportion required for income maintenance rather than operations, increased. In addition to his, real costs were rising with inflation.

With the FY 1977 budget, it appeared that reductions in 1976 operating levels could no longer be postponed, at least on the basis of information then available. Two basic decisions were made by the staff and ratified by the METAC. First, the proportion of the allocation to be received by client groups was based upon the BMA's estimate of the group's share of unemployment in the prime sponsor's jurisdiction. However, only two broad groups were used, adults and youth. Further divisions among significant segments in the universe of need were to be the responsibility of the committees of the METAC. These significant segments were those established in prior plans.

The second decision, according to the staff, was to cut recruitment and direct job placement services the most, in order to maintain programs as much as possible. The reasoning was that applications had always vastly exceeded program slots; to maintain the former at the expense of the latter would make no sense. In addition, the large established agencies wanted to discontinue the small programs that were added to the system when lag money was more plentiful. The result was the elimination of Roxbury Tracking and Rent-A-Kid, two youth programs both of which were later restored when additional funds were found. However, even with the elimination of these two programs, overall, probably more youth would have been served since the Federal court decision, still in force, had redirected the utilization of the CETA 112 resources from adults to youth.

A comparison of the 1976 operating levels with the first budget approved by the METAC for FY 1977 does not fully sustain the staff explanation and public justification of their recommended reductions. In addition, two significant changes occurred which made a major portion of the approved cuts, as well as the unavoidable emphasis on youth, unnecessary. Each of these aspects will be discussed in turn.

The prime sponsor was faced with the following stark reality: with an operating level of $9,738,342; it had a DOL allocation of $7,100,000 and $200,000 in lag money from FY 1976. This meant a pending imbalance of $2,428,342. However, the BMA was able to persuade city officials to use Title II funds for two Title I adult work experience programs which it was argued were most like Title II programs. These two programs were New Careers and Adult Work Experience (AWE). This money offset $1,025,912 of the imbalance, leaving a pending deficit of $1,428,342. Table 7 compares the actual 1976 allocation

with the 1977 budget.

The $1,428,342 deficit was met in two ways, by direct program cuts and by a revised estimate of allowance expenditures. Allowances had been estimated by multiplying 52 weeks by $70 (the average weekly stipend) by the number of slots. The total was then reduced by a 10 percent attrition factor. After re-evaluation, it was discovered that the average adult job training allowance was $58 a week; this figure was substituted for the $70. Then an attrition factor of 5 percent was applied instead of 10 percent. The result was a $221,347 savings; it made up for what the program cuts had not achieved.

In determining which programs were to be cut, the committees were given a Hobson's choice by the METAC and its steering committee; the committees could not change the total amount of money the programs in their jurisdiction could receive; all the committee could do was determine how the cuts would be allocated. If the committees could not decide on their own recommmendation, the staff recommendation automatically was the approved one sent to the METAC. The Youth Committee refused to make specific cuts, because the staff had not provided it with performance data on which to base a decision. In this case, the staff's recommendation to eliminate two small programs went to the METAC, which approved it. The staff also had recommended reductions in ABCD's two youth programs.

The ESL Committee also found it difficult to make a decision without performance data. They rejected the staff recommendation which was to eliminate one program. Unlike the Youth Committee, the ESL Committee did make a recommendation. The assigned cut was distributed proportionally on the basis of the 1976 budgets. In just one other case did a committee refuse the staff recommendation. The Job Training Committee rejected the recommendation to defund a pre-vocational course conducted by the Dimock Health Center, a community-based agency. Instead it was recommended that a recently funded LPN program run by Boston City Hospital be cut. The City (not CETA) had financed this program for a number of years and in 1976 had requested that the METAC finance it instead. The METAC had agreed, and the program had been modified to enroll only economically disadvantaged applicants, who had not yet been enrolled. The Committee's recommended cut was upheld by the METAC.[19] Essentially, the Committee had voted in favor of an existing agency in the manpower system rather than an outsider, particularly since it had not enrolled any trainees referred to it

---

19. The cut was restored when lag money was discovered that permitted the LPN program to be fully funded without reducing a program within the Committee's jurisdiction..

Table 7 Comparison of FY 1976 and FY 1977 Budget Allocations, CETA Title I Programs, Boston

Program or Service	FY 1976	FY 1977	Change Absolute	Change Percentage
I. Employment and Assessment Centers				
a. Employment Centers	$ 373,333	$ 322,535	-50,798	-13.6
b. Assessment Centers	329,997	267,702	-62,295	-18.9
c. MDES Subcontract[a]	241,950	100,000	-141,950	-58.7
d. Substance Abuse[b]	42,000	42,000	0	0.0
e. TWCH[b]	217,000	195,300	-21,700	-10.0
f. Older Worker's Placement[b]	50,000	50,000	0	0.0
	$1,254,280	$ 977,537	-276,743	-22.1
II. Classroom Training				
a. Skill Training (incl. ABE)				
1. Operations	1,323,107	1,265,429	-57,678	-2.4
2. Stipends	1,159,704	1,159,704	0	0.0
Subtotal	2,482,811	2,425,133	-57,678	-2.4
b. English-as-a Second Language				
1. Operations	356,405	302,101	-54,304	-15.2
2. Stipends	576,576	504,947	-71,629	-12.4
Subtotal	932,981	807,048	-125,933	-13.5
c. Total Training				
1. Operations	1,679,512	1,567,530	-111,982	-6.7
2. Stipends	1,736,280	1,664,651	-71,629	-4.1
	3,415,792	2,232,181	-183,611	-5.4
III. Governor's Special Vocational Education Grant	615,888	615,888	0	0.0
IV. OJT	749,804	364,804	-385,000	-51.4
V. Work Experience				
a. Adult Work Experience	377,247	377,247	0	0.0
b. New Careers	648,665	648,665	0	0.0
	1,025,912	1,025,912	0	0.0
VI. Offender Services[c]	170,000	170,000	0	0.0
VII. Youth Programs				
a. Job Referral and Placement				
1. Boys Club (WOW)	49,662	-49,662	0	0.0
2. Rent-A-Kid	60,000	0	-60,000	-100.0
Subtotal	109,662	-49,662	-60,000	-54.7
b. Work Experience		[d]		
1. ABCD in-school	493,070		--	--
2. Roxbury Tracking	40,000	0	-40,000	-100.0
Subtotal	533,070	n.a.	n.a.	n.a.

Table 7- Continuation

		FY 1976	FY 1977	Change Absolute	Change Percentage
c.	Youth Development Center (out-of-school youth)	874,552	[d]	n.a.	n.a.
d.	ABCD Youth Central (Administration)	60,440	[d]	n.a.	n.a.
	ABCD Subtotal (b, c, d)	1,428,062	1,189,961	-238,101	-16.7
		1,577,724	1,239,623	-338,101	-21.4
VIII.	Administration				
a.	BMA	400,000	400,000	0	0.0
b.	DES Allowance Administration	280,030	280,030	0	0.0
c.	Women's Project [e]	50,000	0	-50,000	-100.0
d.	ABCD Adult Central	102,911	102,911		
e.	Northeastern University Follow-up[f]	56,000	30,000	-26,000	- .
	TOTAL	888,941	812,941	-76,000	.9
	TOTAL FUNDS	$9,664,341	$8,472,886	-1,191,455	-12.3

a ABCD Subcontract to MDES.

b Specialized recruitment services for by specific programs for specific groups. Substance Abuse refers to an OIC program that recruits and serves drug addicts. The Third World Clearing House (TWCH) recruits and trains minorities for the construction industry. Older worker Placement refers to an ABCD recruitment and referral service, for older workers.

c Deer Island Assessment Center.

d The allocation to ABCD for these two youth programs and for ABCD Youth Central Administration was given as a block grant; ABCD was to divide the money among each of these three youth functions. This division was not disclosed. However, the total youth allocation to ABCD is included in ABCD Youth Subtotal and the total for youth.

e Funds allocated by the METAC to develop a training program for manpower agencies to ensure non-discriminatory recruitment, referral and hiring.

f Survey of Program Terminees to determine their post program employment and labor market status.

by the system.

The staff's recommendations to other committees were accepted. In one area, OJT, enough information was available to make a well-educated decision. At best, only half the money allocated to OJT had been contracted out possibly because of poor labor market conditions, but also because of program inadequacies. This coupled with the impression that OJT administrators were overpaid led to a greater than 50 percent cut. The recommendations regarding the NEC budget cuts were accepted because a substantial part of the cut could be made at the expense of the MDES, which was not overly anxious to serve hard to place applicants.

Three sectors bore the bulk of the reductions: OJT (32.3 percent), youth (28.4 percent), and the NEC's and Assessment Centers (23.2 percent). Overall, program reductions amounted to 12.3 percent from 1976, but the OJT cut was 51.4 percent of its 1976 operating level; the youth cut, 21.4 percent; and the Employment and Assessment cut, 22.1 percent. In contrast, classroom training suffered a loss of just 2.4 percent, and ESL, 13.5 percent.

Most of the youth cuts came from ABCD, even with the elimination of two of the smaller programs. One youth program, Boy's Club WOW, was not cut at all, probably with justification, because of its performance and staff capability.

The reduction in classroom training does not include the resources that had been allocated to the Boston Skill Center and which were, at that time, still under the control of the court. Up until then, this money had been used for adults; with its mandatory reallocation to youth, a far greater cut would have been incurred by adults than youth. Cuts proportional to the share of unemployment borne by adults and youth would not have been achieved. Youths would have received more total resources, while the reduction in adult skill training would have been that much greater.

The preference the BMA gave to programs rather than recruitment and assessment was only partially fulfilled, because of the sharp cuts in OJT, and because of the cuts in youth programs. On the other hand, the BMA was correct if it meant that it was preserving formal classroom training in the two major community agencies. In the youth sector, which covered all programs, there was no way to reduce except to cut them. It is only by excluding the Skill Center that youth and adult reductions conformed to their respective proportions of the "universe of unemployment." Inclusion of the Skill Center would have shown an increase in the youth share of BMA funds.

However, soon after the 1977 budget was approved, significant developments occurred which negated the need for most of the reductions. A large part of the youth cuts and all the ESL cuts were restored by a windfall or $400,000 from"CETA 112" stipend money that the state had discovered could not be spent by the Balance of State before the end of FY 1976. Both of the two youth programs that had been dropped were fully restored, as were close to half of the cuts in ABCD's two youth programs. These restorations did not go through the entire METAC process; the decision was made by the Steering Committee before going to the METAC. The restoration of these funds suggests that nearly all of the operational cuts will be from OJT and recruitment and assessment.

Another important event which occurred after the Budget was voted was the vacating of that part of the Court's Unified Plan requiring the training of school dropouts. Despite this reversal, the Skill Center was not reopened. Its closing had resulted from the State Department of Education's refusal to allow "CETA 112" funds to be used by the Boston School Department in the Skill Center if administrative changes were not made. They were not made. With the elimination of the Skill Center came the elimination from the manpower system of a program and agency that had long irritated other major agencies. The Center's internal operations had been studied repeatedly. In some cases, results were highly critical, especially the lack of systematic records and orderly administration. In other cases, the training and its results were shown to be valuable. Relations between the Skill Center and other major agencies had been marked by mutual distrust and a lack of coordination and collaboration. On balance, the performance of this agency probably was at least on a par with that of the other agencies, but the price paid by the system was excessive.

Budget Comparisons

The total planned budget or accrued expenditures vastly exaggerate the amount of direct investment in trainees that logically might be expected to increase an individual's employability or improve labor market knowledge. For example, the accrued expenditures for the last nine months of FY 75 (October 1974-June 1975) were:[20]

---

20. Data obtained from Boston Prime Sponsor Quarterly Progress Reports, covering period October 1974 to July 1975.

Administration[a]	$1,495,202
Classroom Training[b]	997,709
Recruitment, Assessment and Counseling Services	952,332
Allowance	868,549
Wages and Fringe Benefits (Work Experience and OJT)	948,846
Total	$5,262,638

[a]Includes DES allowance administration.

[b]Includes ESL.

(This total of accrued expenditures is below the $6,073,829 of planned expenditures.) Direct human capital investment expenditures were taken to be all of classroom training, all of recruitment, assessment and counseling services, and one half of the wages and fringe benefits of work experience programs and OJT. These direct investment items totaled $2,424,465, just 46.1 percent of the total accrued expenditures of $5,262,638. Administrative costs came to 28.4 percent, and income maintenance payments (allowances plus one-half wages and fringe benefits) accounted for 25.5 percent. Wages and fringe benefits have a dual function in our analysis. Although part of wages is a proxy for OJT or work experience, the entire wage item is income maintenance. However, if we included all of the wages as income maintenance, then our total expenditures would exceed actual expenditures. Hence we understated the income maintenance share.

On a per enrollee basis, human capital investment[21] was as follows:

Classroom Training:		
Recruitment, Assessment and Counseling Services		$148.64
Training		453.09
	Total	$601.73
OJT and Work Experience:		
Recruitment, Assessment and Counseling Services		148.64
OJT and Work Experience		268.19
	Total	$416.83

21. Not included are stipends and comparable income maintenance outlays because they do not represent the development of skills.

Recruitment, Assessment and Counseling[a]	$148.64

[a]Only for those who received services other than those provided by an NEC and/or an Assessment Center.

Note that the classroom training, OJT and Work Experience figures include the per enrollee $148.64 attributable to recruitment, assessment and counseling, because all enrollees have to go through these processes. As indicated, actual training or job experience expenditures come to much less; for classroom training the average is $453.09 per person, and for work experience and OJT, it is $268.19 per person. For all enrollees the average human capital expenditure was $278.41. Of course, these figures assume that enrollees never missed a class and hence overstate the actual value of the training or job experience.

Let us assume that the average enrollee will be working for only another 25 years. A 10 percent rate of return on a direct investment in skill of $378.41 would mean a very modest annual increase in earnings of $41.69, or on 2,000 hours per year basis, 2 cents an hour. If employed just half a year, 4 cents per hour is a 10 percent return. On the highest investment of $601.73, the increase in annual earnings would be $66.95 or 3 cents an hour if employed 2000 hours. If we discounted over a 35-year period, the annual gain from the average investment of $378.41 would be $39.23 at 2000 hours. On the $601.73 investment, the annual return over 35 years would be $63.02, or approximately 3 cents per hour. There is little reason to expect substantial income gains with such minimal investments allowed by the Federal Manpower budget.[22]

---

22. A cost-benefit analysis would include stipends on the grounds they constitute a human capital investment. The view taken above is that they do not represent services that specifically aid an individual's employability.

PUBLIC SERVICE EMPLOYMENT

Title I programs, and Title II and VI have different purposes. These differences, coupled with the existence of a pre-CETA predecessor to PSE, led to the independent implementation of Title I, and of Titles II and VI.

Administrative Structure

As stated previously, the PSE administration is distinctive and separate. There were no meaningful operational links between PSE and Title I programs originally, although now Title I's programs do make referrals to Title II and VI openings. Persistent pressures by members of the METAC, particularly those representing women and minority groups, and by the regional DOL, eventually persuaded Title II and VI administrators to report to the advisory council. This administrative mechanism, gradually formalized over a period of time, was able to influence the mix of enrollees hired to fill vacated slots as the PSE program continued. The PSE committee also might have influenced the decision to allocate additional PSE monies to non-profit private agencies. However, establishment of the PSE committee was the first and only successful attempt to create a link between Title I and PSE other than an informal coordination between the administrators of the Boston Manpower Administration and the CETA office.[23]

An early attempt to establish formal operational ties between Title I and PSE collapsed. According to the administrators of PSE, they approached the agencies who run the NEC's for referrals. The contacts failed because the NEC's would not receive official credit for referrals and placements, since the City insisted that all applications be filled at City Hall on the grounds that the City, not the agencies, would be held responsible for violations of eligibility. The NEC's did not marshal a stream of applicants, because the NEC's were extremely skeptical that disadvantaged minorities would be enrolled and did not want to discredit themselves.

Despite early attempts by ABCD and OIC to develop links, PSE administra-

---

23. In addition, a lottery selection of all applicants for referral was introduced to ensure impartiality.

tors had not foreseen the need to do so well in advance of hiring. The City apparently did not anticipate a repetition of its experience under PEP, when pressure to fill slots quickly had led to a hectic hiring pace that precluded a careful screening of applicants.

Eligibility criteria for Title II and VI permit a wide latitude in the selection of applicants once the minimum standards of residency, and either unemployment[24] or underemployment are met. There is little in the Federal regulations to indicate that either Title should treat any differently groups identified as "significant segments" or individuals identified as economically disadvantaged. The regulations of both titles require "special consideration" for the "most severely disadvantaged" with respect to their length of unemployment and their likelihood of finding work as well as to three other groups, namely, "Vietman" veterans, welfare recipients and ex-manpower trainees. Both titles are enjoined to treat "significant segments equitably".

The only explicit difference in eligibility criteria is the preferential consideration in Title VI for three groups not mentioned in Title II regulations. Two of the three represent those with lengthy periods of unemployment. These are persons who have exhausted their unemployment benefits, or have been unemployed for at least 15 weeks. The third group, those ineligible for unemployment benefits, could include many who are considered disadvantaged employed or have held odd jobs.

However, the purposes of Title II programs cited in the Act itself are those designed to enhance employability and promotability, or to prepare enrollees for expanding occupations; Title II is a transitional step to unsubsidized "regular" jobs. In contrast, Title VI's objective is countercyclical.

The BMA and the METAC viewed Title II activities as akin to employment and training services and appropriate for those with labor market handicaps. Title VI was viewed here, as elsewhere, as an employment program for the jobless, some of whom might also have labor market disabilities. This distinction was supported by the ETA Regional Office.

---

24. A minimum of 30 days unemployment apply in both cases, except in areas of "excessively high" unemployment in Title VI, when the minimum becomes 15 days. In addition, of course, Title II, but not Title VI, allocations went only to areas of substantial unemployment.

Title II Goals

In Boston, Title II had two primary goals. The first was helping the unemployed and underemployed "by providing income through CETA salaries", as well as providing OJT, special training, and "permanent placement assistance through counseling". The second goal was to "address at least a significant part of the large agenda of public service needs which challenge the City of Boston". Eligibility requirements were minimal: the applicant had to reside in an area of "substantial" unemployment, and either be underemployed or unemployed for at least 30 days. No other priorities were established by the Federal government, such as race, educational level or economic status. These were left to the discretion of the particular locale.

Following Federal guidelines, Boston directed its FY 1975, Title II effort towards specific groups that were "most disadvantaged", as measured by their length of unemployment and their prospects of finding work. Listed below are these selected groups and their share of PSE employment to which the City committed itself:

	Percentage Shares of PSE Employment	
Group	Goal	Actual
Welfare recipients	10.01	18.0
Special veterans	7.0	8.7
Former Manpower enrollees	15.0	14.5
Head of households	66.7	64.0
Women	25.0	28.6
Limited English-speaking ability	1.5	0.7
Youth	15.0	11.9
Poverty	38.0	40.8
Black	20.0	25.0
Other minority	2.0	2.3
Spanish-speaking	4.0	4.1

Nearly all these goals were reached or nearly reached. The major exception was youths. These goals had inherent limitations. The percentages allocated to each group were based on its share of the unemployed, as given in the 1970 Census of Population; they were not based on the group's unemployment rate, nor on some measure of the duration of unemployment. A group's

unemployment rate, or its average length of unemployment, would have been more consistent with the City's objective of assisting those having the most trouble finding work and as a result experiencing long spells of joblessness. The decision to use a group's share of total unemployment was influenced by the composition of the City's population. The result was that a majority of jobs went to adult white males, a group with the most members needing jobs but not necessarily having the severest labor market problems.

The City's emphasis on groups with the largest numbers was neither right nor wrong, since CETA permits considerable latitude here. The City's strategy, however, was likely to include a relatively high proportion of the job ready and work experienced. This approach might have enabled the City to better satisfy its short run hiring needs, but, as a result, might have bypassed the more difficult problem of making the less employable more employable.

Recruitment for the pre-CETA PEP program began in Boston in September 1971. Like PSE, there were two separate components. One of these, Section 5, can be interpreted as directed at cyclical unemployment; it was to provide transitional employment in public service jobs when the national unemployment rate averaged 4.5 percent for three consecutive months. The other component, Section 6, can be interpreted as directed at more serious, longer run unemployment. It was intended for areas with unemployment averaging 6 percent or more for three consecutive months.

PEP also had eligibility requirements and priorities. To be eligible an individual had to be unemployed at least two weeks. One third of the first years enrollees were to be Vietnam ear veterans. Priority also was to be given to the young and elderly, to migrants and seasonal workers, to those with limited English speaking ability, to low-income persons. The spirit and language of the Emergency Employment Act clearly indicate the intent to employ and to permanently raise the employability of low-income persons confronted with labor market barriers. Boston's PEP administrators viewed the program as intended largely for poor persons with substantial problems finding and holding decent jobs.

Title VI Goals

As noted, the eligibility criteria of Title VI differ from those of Title II by including three additional priority groups, two of whom consist of the long-term unemployed. Within the context of these three categories,

priority was to be given to Vietnam veterans, the economically disadvantaged, and former manpower trainees. The City chose the following four target groups for its 504 Title VI jobs:[25] minorities, women, elderly workers (55 and over), and construction workers. Minorities were to receive 30 percent of the slots. In addition, separate goals were set for 298 "physical rehabilitation" (or capital improvement) jobs included in one total, and for the remaining 206 non-rehab (or "special projects") jobs. The physical rehabilitation jobs were reserved for construction workers, but 30 percent of these hires had to be minorities, and 10 percent women. In contrast, half of all the non-rehab slots were to be filled by women and 20 percent by elderly workers.[26] Assuming 504 total positions, 151 were to have been filled by minorities, 89 of these on rehab work; 133 by females, 30 on rehab; and 41 by elderly workers, all on non-rehab work. These goals were not independently decided by the City; the regional DOL was involved.

Client Characteristics

As of mid-March 1975, after close to 80 percent of the positions of the Title VI slots had been filled, the City's goals had not been realized. Minorities were 26.1 percent (not 30.0 percent) of the 399 hires, and older workers 16.8 percent (not 20 percent) of the 155 non-rehab hires. Women had the largest deficit; they were 23.3 percent, not 30.0 percent of all hires. The stumbling block for both minorities and women were the rehab jobs; goals for minorities and women had been exceeded on the non-rehab positions. In contrast, women and minorities together filled only one-quarter of the rehab slots; the grant application had promised them 30 percent and 10 percent, respectively.[27] There might be a reasonable excuse for missing the goal for

---

25. The City initially received $5,464,379 in Title VI funds. There is some confusion about the actual number of positions to be created. The listing of jobs in the City's Title VI Grant Application totalled 524, but a special report presented to a committee of the METAC in March 1975 by the CETA-II office used a total of 504. The figures in our paragraph are based on material in this report and on its 504 total.

26. These goals were taken from the City's Title VI Grant Application. Another METAC report restated the goals for the physical rehabilitation jobs to be 30 percent minorities and women, not 30 percent minorities and 10 percent women in the application.

27. Our calculations indicate that women probably had 9 of the rehab; and minorities 51; compared to the 24 and 73 needed.

women, but not for minorities. There conceivably might not have been women living in the city who were both construction workers and unemployed. It is inconceivable, however, that there were fewer than the 73 resident minority construction workers who were unemployed. Insistence by the METAC's Women's Committee led the City's CETA-II administration to promise that the 105 still empty slots be used to compensate for the deficit in female and nonwhite hires.

Of the 105 open slots, 54 were rehab and 51 non-rehab. Since the goals for non-rehab jobs had been overachieved, it was in the construction area that the women and nonwhites had to be placed. Union initiative had been an important reason for allocating a substantial number of PSE slots to physical improvement. The unions were motivated by high unemployment among their members. Under these circumstances, for the City to hire nonunion construction workers would have been difficult. It was not possible to determine whether the City's goals actually were met, because the demographic characteristics of those hired to fill these remaining slots were not available.

A similar comparison of goals and achievements for Title II and for the PEP program was impossible because of the unavailability of disaggregated data.

A comparison of the characteristics of those hired under PEP and under Titles II and VI shows a shift from the more to the less disadvantaged, from an effort to improve the long run status of those with serious labor market problems to the more limited effort of temporarily employing the employable, and inferentially, at wage and salary levels that minimize income loss or deprivation. Differences in the timing and duration of these three programs, and in the availability of data, preclude perfect comparability; but in the case of the programs, the number of enrollees is sufficiently large, and the number of unfilled slots sufficiently small, to rule out all but the minor distortions. (See Table 8.)

During the 9-month period, October 1974 to July 1975, there were 1502 persons enrolled in Title II. Of this total, 71.4 percent were males, 61.2 percent were 22-44 years old, and 71.4 percent were white. Over 35 percent had more than a high school education. In short, Title II enrollees were fairly well educated white males of prime working age.

This trend in hiring, as well as PSE concentration on placing the better educated in unsubsidized jobs, was criticized by ABCD early in 1975 as a misdirection of effort when the poorly educated and disadvantaged were having

Table 8 Percentage Distribution of Enrollees in the Public Employment Program (PEP) and in the Public Service Employment (PSE) Program by Personal Characteristics, Boston, Various Periods, 1971-75

Characteristics	PEP[a]			PSE[b]		
	Total	Section 5	Section 6	Total	Title II	Title VI
Number of Enrollees	1743	948	795	2017	1502	515
Sex						
Male	75.8	76.4	75.1	72.5	71.4	75.5
Female	24.2	23.6	24.9	27.5	28.6	24.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Age						
18 and under	12.9	6.3	20.6	0.1	0.2	0.0
19-21	17.1	17.3	16.9	10.7	11.7	7.6
22-44	61.2	67.4	53.8	73.2	74.2	70.3
45-54	5.5	6.0	4.9	8.3	6.8	12.8
55-64	2.9	2.5	3.4	5.9	4.9	8.7
65 and over	0.4	0.4	0.4	1.8	2.2	0.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
Education						
8 years or less	6.7	4.2	9.7	3.6	3.3	4.5
9-11 years	20.1	16.5	24.5	14.7	14.3	15.7
12 years	41.7	43.7	39.1	46.7	47.1	45.6
over 12 years	31.5	35.6	26.7	35.0	35.3	34.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
Race						
White	54.9	56.2	53.3	72.2	71.4	74.2
Black	34.2	32.9	35.7	24.2	25.0	22.1
Other	6.4	8.0	4.1	3.6	3.6	3.7
Total	95.5[c]	97.1[c]	93.1[c]	100.0	100.0	100.0
Ethnicity						
Hispanic	8.5	8.0	9.0	3.7	4.1	2.5
Income Status						
Economically Disadvantaged	50.6	49.5	52.2	37.6	40.8	28.5

[a] Section 5 data are for 50 months, September 1971 to November 1975; Section 6, for 45 months, November 1971 to July 1975.

[b] Title II data are for the nine months beginning October 1974; Title VI, for the six months beginning January 1975.

[c] Does not add to 100.0 percent because of omissions in the data from original sources.

such difficulty finding work. Moreover, they, not the better educated, needed the supportive services Title II could offer. At the beginning of the first quarter of 1975 PSE administrators reported that they were giving priority to enrollees with marketable skills and experience in making unsubsidized placements; in other words, they were placing the most employable first. The purpose was to make more slots available for the unskilled and poorly educated, and then to concentrate on placing them.

The rapid increase in enrollees with over 12 years of school may not have been the joint product of the crash hiring during the winter quarter, and the likelihood that the better educated was better informed about and more alert to opportunities than the poorly educated. The importance of personal contacts and of supervisors' preferences for individuals with specific skills cannot be ignored, however.

The data do not support the reasons presented by PSE administrators for their emphasis on the better educated. Very few (just 64) placements had been made by July 1975. Moreover, a disproportionately smaller number of those with more than 12 years of education were placed than were represented among all Title II enrollees by then.

By mid-1975, a total of 515 persons had been enrolled under Title VI. Of these 515, 75.5 percent were males, 74.2 percent were white, and 34.2 percent had more than a high school education. Only 28.5 percent were economically disadvantaged. The only important difference between Title II and Title VI clients was the percentage of economically disadvantaged; 40.8 percent of the former fell in this income category. Like Title II, then, Title VI also was dominated by better educated white males. Although such individuals might constitute a large share of the unemployed, their unemployment rate was not the highest, and their job prospects not the most dismal. (See Table 1).

Of the 1743 PEP enrollees, large majorities (about three-quarters) were males and had at least a high school education; but close to half were either nonwhites or Spanish-speaking, and a substantial proportion were no older than 21, although nearly two-thirds were in the primary age group 22-44. There were important differences among Section 5 and Section 6 enrollees in age and education. Section 6 included nearly three times the number, proportionately, of those 18 and younger, and well over half as many more without high school education. Section 6 also included proportionately more nonwhites

and Hispanics, but the differences were not large. The data indicate that in Boston, Section 6 indeed was interpreted as a program for those with exceptional labor market problems.

Similarly, compared to PSE, PEP was more a program for the poor and those with employment problems. PEP enrollees, while mostly males like PSE enrollees, were more likely than the latter to be nonwhite (40.6 percent vs. 27.8 percent) and Spanish-speaking (8.5 percent vs. 3.7 percent), less well educated (26.8 percent vs. 18.3 percent with under 12 years of school), and economically disadvantaged (50.6 percent vs. 37.6 percent). PEP enrollees also included relatively more young people.

Title II had terminated a total of 228 individuals, or just 15.2 percent of its enrollees, by July 1975. Only a minority of terminees (28.1 percent) found unsubsidized jobs; over half (55.6 percent) terminated for nonpositive reasons; the remainder, (16.2 percent) were for other positive reasons. Only 72 enrollees, or 14.0 percent of the total, had been terminated from Title VI by July 1975. Only a fifth of the 72 terminees found jobs; over three-quarters had left for non-positive reasons. Overall, by mid-1975 PSE still had to fill its role of finding its enrollees regular jobs. Out of 2017 PSE enrollees, 300 had been terminated, and 79 of these had entered unsubsidized employment. (See Table 9.)

Although a higher proportion of PEP terminees were placed in jobs, (28.3 percent as compared to 3.9 percent), the proportion was still small; moreover, the PEP data cover a substantially longer period. Although only 79 PSE job placements are involved, those placed tended to include a disproportionately small number with more than 12 years of education compared to all enrollees. As already noted, there was no evidence to corroborate the intention of PSE administrators to accelerate the placement of those with more than high school educations in order to accommodate lesser educated individuals with labor market problems. (See Table 10.)

In addition to placing a relatively high number of enrollees with less education than the average enrollees, PSE also placed a relatively high number of Blacks and females, well above their respective shares of enrollments. For instance, females were 38.0 percent of those placed in unsubsidized jobs but only 27.5 percent of enrollments; Blacks were 30.4 percent of those placed but 24.2 percent of enrollments. On balance, the less, not the more employable, seemed to have been placed first. PSE administrators

Table 9. Percentage Distribution of Terminees of the Public Service Employment (PSE) Program, by Personal Characteristics, Boston, 1974-75[a]

Characteristics	Total	Title II	Title VI
Number of Terminations	300	228	72
Sex			
Male	67.7	63.0	83.3
Female	32.3	37.3	16.7
Total	100.0	100.0	100.0
Age			
18 and under	0	0.0	0.0
19-21	45	17.6	8.3
22-44	188	66.1	58.3
45-54	38	10.4	20.8
55-64	18	5.0	9.7
65 and over	4	0.9	2.8
Total	293	100.0	100.0
Education			
8 years of less	6.3	6.1	6.9
9-11 years	18.3	19.3	15.3
12 years	49.3	49.6	48.6
Over 12 years	26.0	25.0	29.2
Total	100.0	100.0	100.0
Race			
White	59.8	56.3	70.8
Black	35.5	37.6	29.2
Other	4.7	6.1	0.0
Total		100.0	100.0
Ethnicity			
Hispanic	3.3	4.4	2.7
Income Status			
Economically Disadvantaged	57.5	75.9	50.0

[a]Title II data are for the nine months beginning October 1974; Title VI, for the six months beginning January 1975.

Table 10. Percentage Distribution of Terminees Placed on Unfunded Jobs under the Public Employment Program (PEP) and the Public Service Employment Program, by Personal Characteristics, Boston, Various Periods, 1971-75

Characteristics	PEP[a]		PSE[b]	
	Number	Percent	Number	Percent
Total	493	100.0	79	100.0
Sex				
Male	360	73.0	49	62.0
Female	133	27.0	30	38.0
Total	493	100.0	79	100.0
Age				
18 and under	n.a.	--		
19-21	n.a.	--	9	11.4
22-44	n.a.	--	54	68.4
45-54	n.a.	--	10	12.7
55-64	n.a.	--	6	7.6
65 and over	n.a.	--	0	0.0
Total			79	100.0
Education				
8 years or less	n.a.	--	6	7.6
9-11 years	n.a.	--	18	22.8
12 years	n.a.	--	39	49.4
Over 12 years	n.a.	--	16	20.3
Total			79	100.0
Race				
White	287	58.0	49	62.0
Black	154	31.2	24	30.4
Other	35	7.0	3	3.8
Total	476[c]	96.2[c]	76[c]	96.2[c]
Ethnicity				
Hispanic	33	6.7	2	2.5
Income States				
Disadvantaged	216	43.8	60	76.0

[a]Section 5 data are for 50 months, from September 1971 to November 1975 Section 6, for 45 months, from November 1971 to July 1975.

[b]Title II data are for the nine months, October 1974-July 1975; Title VI, for the six months, January 1975 - July 1975.

[c]Does not add to total or to 100.0 percent because of omissions in original data source.

apparently devoted special efforts to finding jobs for the disadvantaged. For example, only a small proportion of the Title II enrollees who were placed found their own jobs. In contrast, nearly all the Title VI enrollees had. However, one cannot discount the desire of city departments to retain the better educated with advanced skills and experience. Nor can one ignore the possibility of implicit discrimination, which might have prompted minorities and women to accept other jobs if available.

In contrast to PSE, the characteristics of PEP enrollees placed in unsubsidized jobs corresponded more closely to the characteristics of all PEP enrollees. Even so, Blacks, the Spanish-speaking and the economically disadvantaged tended to be somewhat underrepresented because PSE was relatively new and only 3.9 percent of its enrollees had been placed at the time our data were gathered. Nonetheless, females, Blacks, the young (19-21), the old (45 and over), the poorly educated, and the poor tended to be overrepresented among those placed. In short, males, prime-age workers, whites and the better educated tended to remain PSE enrollees.

Allocations and Expenditures

In both absolute and relative terms, the resources devoted to public service jobs absorbed a higher share of Boston manpower funds under CETA than before. Under CETA, Title I programs in the City have received, over time, less money (and been able to provide commensurately fewer services) than their pre-CETA counterparts. Even if the total amount of manpower monies (in real terms) given to Boston had not shrunk, the growth of public service employment would have meant a drop in the importance of programs designed to raise the employability of those with more serious labor market handicaps.

The amount of money devoted to public employment in Boston roughly doubled under CETA. Boston PEP received $11,769,582 for 971 slots enrolling 1743 persons over a 50 month period. Boston PSE received $23,498,221 for 1890 slots, and had enrolled 3982 in 15 months. (Actual expenditures came to only $15,255,645 by then).

Annualizing the expenditures of PEP and PSE permits us to compare the costs per slot-year and per participant-year of both these programs. PSE spent much more money on both than PEP. According to data in Table 11, PEP's annualized cost per slot was $3690; its cost per enrollee, $2056. PSE's

Table 11. Allocations and Expenditures for PEP and PSE, Boston, various periods 1972-1975

	Total Funds Allocated	Total Expenditures	Number of Slots	Total Enrollees	Annualized Expenditures[a]
PEP					
Section 5 (38 months)	$7,514,545	$6,295,775	580	948	$1,988,139
Section 6 (32 months)	4,255,037	4,252,586	391	795	1,594,720
Total	$11,769,582	$10,548,361	971	1743	$3,582,859
PSE[c]					
Title II (15 months)	$9,023,689	$9,414,901	b/	2453	$7,531,921
Title VI (12 months)	14,474,532	5,840,744	b/	1529	5,840,744
Total	$23,498,221	$15,255,645	1890	3982	$13,372,665

[a] PEP annualized expenditure per slot: $3,582,859/971 = $3690; annualized expenditure per enrollee: $3,582,859/1743 = $2056

PSE annualized expenditure per slot: $13,372,665/1890 = $7076; annualized expenditure per enrollee: $13,372,665/3982 = $3258

[b] Separate slot levels for Title II and VI unavailable.

[c] PSE data cover more months in this table than in Table 1, because of differences in the availability of different kinds of data.

were $7076 and $3258, respectively.

Average hourly earnings under PSE seemed to be above those under PEP. As calculated by City officials, the average for Title II was $4.28 and for Title VI, $4.44. In contrast, PEP enrollees averaged just $2.81 per hour.[28] However, there were differences in the amount individual enrollees received from both programs because of differences in the lengths of time enrolled.

Reconciling the annual earnings generated by these average hourly wage figures and those generated by the expenditures data just presented was difficult without knowing the turnover and vacancy rates anticipated by PEP and PSE officials. Using the hourly earnings above and assuming a full-time job of 1820 hours a year,[29] PEP enrollees would have earned $5114 a year; Title II enrollees $7790; and Title VI enrollees, $8081. (For comparison's sake, the official 1975 poverty income figure for a family of four was $5050, that for the year 1972 was $4000, for 1973 an average of $4250, and for 1974, $4550. The average for the years 1972-1974 was $4263). As a percentage of the relevant poverty figure, the PEP annual earnings amounted to just about one-third more; the PSE, from over two-thirds to three-quarters more. According to these calculations, PSE enrollees might have been enjoying a higher standard of living than Title I enrollees and, comparatively speaking, earlier PEP enrollees.

In contrast to these annual earnings figures under PSE, the overall PSE annual outlay per slot was only $7076, of which nonwage costs were approximately 20 percent. Discounting the $7076 by this 20 percent gives an estimated annual earnings figure of $5600 well below that calculated above for Title II enrollees and even further below that calculated for the Title VI enrollees. The $5600 is not much above the 1975 poverty level income but well below the annual earnings based on the $4.28 and the $4.44 wage cited above. A similar difference also holds for PEP. Using the annual cost per slot for PEP and discounting nonwage costs yields a figure of $4700 compared to the $5620 derived from the $2.81 PEP average wage. These differences seem to be due to the fact that the average wage figures provided by the City were unweighted by employment. Substantial differences in earnings existed among

---

28. The PEP average covers a period of approximately 3½ years, while the PSE average covers approximately 1½ years. In real terms the differences would be smaller.

29. A city work week of 35 hours multiplied by 52 weeks.

PSE enrollees depending on the job held. The wage distribution of PEP enrollees probably was less dispersed.

PSE Jobs and Wage Rates

White collar jobs, including para-professional, accounted for half the PSE slots, and approximately one-third were blue collar jobs. Service jobs accounted for the remaining 18.3 percent. (See Table 12.)

Using a skill-level grouping, unskilled blue collar and service jobs constituted a third of the slots: skilled blue collar jobs, just under 10 percent; clerical, 13.6 percent; and higher level white collar, almost one-fifth.

Compared to the composition of unemployment in the city, the allocation of slots disproportionately favored professional, technical and managerial workers, as well as service workers. Compared to their share of city unemployment, a disproportionately low amount went to clerical and blue collar workers; but unskilled manual workers received their share. Higher level white collar positions accounted for a disporportionately large number of slots compared to the occupational mix of the unemployed in the City of Boston. For example, blue collar workers were 50 percent or more of the insured unemployed at this time but had only a third of the slots.[30]

A comparison of the distribution of unemployment by City neighborhood with the allocation of slots to residents of the same neighborhoods suggests that the neighborhoods hardest hit by unemployment were underrepresented in the distribution of PSE jobs.

Table 13 classifies Boston's PSE slots by functions. These functions should reveal the actual priorities guiding the City in its use of Title II and Title VI funds. With broad eligibility criteria and DOL pressure to fill slots quickly, human and social needs did not receive the largest share.

Among such pressing city needs as education, health, crime prevention, including juvenile delinquency, and the rehabilitation of low income housing, only one, juvenile delinquency, received a substantial percentage of PSE slots (11.8 percent). Well over 40 percent of the slots went to the maintenance of public buildings other than housing, or to parks and recreation. Some of

30. City of Boston Manpower Administration, Comprehensive Manpower Plan Fiscal Year 1977, Boston, August 1976, pp. 75-77.

Table 12. Occupational Distribution of PSE Slots, Boston, Various Months, October 1974 - July 1975[a]

White Collar	Absolute	Percentage
Professional and Technical	216	11.4
Managerial and Administrative	93	4.9
Supervisory	51	2.7
Clerical and inspectors	256	13.6
Paraprofessional	331	17.5
Subtotal	947	50.1
Blue Collar		
Skilled	186	9.8
Construction	121	6.4
Other	65	3.4
Semiskilled	33	1.7
Unskilled	377	20.0
Subtotal	596	31.6
Service		
Unskilled	237	12.5
Other	109	5.8
Subtotal	346	18.3
Total	1889	100.0

[a]Title II data cover the nine month period October 1974-July 1975; Title VI data cover the six month period January 1975-July 1975.

Table 13. Distribution of PSE Slots by Functional Areas, Boston, 1974-75

Functional Areas	Number	Percent
I. Administrative Departments	157	8.3
II. Maintenance of Physical Plant and Resources		
(a) Parks & Recreation	279	14.7
(b) Public Facilities	232	12.3
(c) Public Works	172	9.1
(d) Public Housing	77	4.1
(e) Real Property	116	6.1
(f) Other	15	0.8
Subtotal	891	47.1
III. Protective Services (Police, Fire, Penal)	188	10.0
IV. Social and Human Services		
(a) YAC	223	11.8
(b) Schools and Library	77	4.0
(c) Housing Services	69	3.6
(d) Health and Hospitals	47	2.5
(e) Other	158	8.4
Subtotal	574	30.4
V. Boston 200 (Bicentennial Celebration)	80	4.2
Total	1890	100.0

these priorities can be attributed to the possible lack of eligible clients with the requisite human service skills or experience. Some might be attributed to the desire to beautify the city in anticipation of Bicentennial tourism, a source of income and employment. One can infer that priority was not given to the more critical needs, such as education, health and crime prevention.

PSE - DOL Relations

In late 1975, serious criticism and charges were publicly leveled at Boston for its administration of the PSE Program. By the fall of 1975 the regional DOL had become highly concerned that hiring was occurring much too slowly. Then, during the winter, Boston's "underground press", echoed promptly by the conventional press, publicized allegations about the ineligibility of enrollees and the biased nature of the selection process. This was the first public disclosure that a problem existed. The newspaper stories claimed that nonresidents of the City had been enrolled and that political favoritism and nepotism had determined referrals and hiring.

An extensive investigation by the RDOL followed. At the same time, the General Accounting Office (GAO) continued an investigation begun earlier, giving its findings to the Department of Justice. These were never made public. However, the regional DOL released a summary of its findings which did not vindicate the City administration. According to the RDOL, the administrative lapses ran the entire gamut of possibilities, from improper political activities to enrollee ineligibility and lack of maintenance of effort. It was difficult from this one report to determine the pervasiveness of the infractions, but this and other documents suggested that they had not been isolated instances. Probably favoritism, both political and personal, was the most common infraction, although it would be difficult to say what proportion of PSE enrollees was involved.

The irregularities had a number of causes. Some may have been beyond the City's control, but not all; the PEP/PSE office apparently lacked the authority to prevent them. There were two distinct problems: the hiring delay and the alleged maladministration. The two needed to be considered together because City administrators argued that the first was responsible for the second, and

that failure of the regional DOL to provide timely funding information had seriously contributed to both.[31] Since these aspects were interrelated, they will be discussed together.

The office responsible for administering PEP had the responsibility, initially at least, for administering PSE. It remained independent of the METAC and, in practice, of the BMA as well. The EEA program had operated successfully in many ways, but not without criticism by the regional DOL contained in a special staff report to the City. At the heart of this report was the question of political favoritism and slow hiring. However, aside from these criticisms the EEA program had functioned successfully and the EEA administrators continued along much the same successful operational lines. From their viewpoint, when PEP first appeared, they were not in a position to develop definite job slots in specific departments until the City was assured of the exact amount of PSE funds it would receive. Despite advance estimates of funding levels from the regional DOL, the PEP/PSE administrators did not feel free to develop a concrete program that would have committed themselves and City Departments.

In the spring and summer of 1974 the PEP/PSE staff seemed to be in a state of limbo. There was no explicit guidance from top City officials. This inattention was attributed in part to the preoccupation of the Mayor's office with the forthcoming desegregation of the public schools, which was to begin in the fall, as well as to preoccupation with the forthcoming mayorial election in November. Although the amount of PSE money allocated to the City was a small proportion of the total City budget, in absolute terms it was not small. It has been alleged that certain officials recognized the political potential of PSE. For example, at the lower levels of the City administration PSE enrollees were used, or asked to volunteer, for duties that had a two fold purpose, that of surveying citizens needs and that of reminding them that the Mayor was the person concerned with their needs.

The delay in hiring can be explained only partly by the intention of the PEP/PSE administrators to have a selection and hiring process that would give enough time to carefully matching applicant qualifications with slot require-

---

31. The City also claimed that the DOL should have anticipated problems and did not provide clear, prompt interpretation of regulations. The case seemed more that the City did not like the interpretations given or had not taken them and other advice to heart.

ments. The goal was to satisfy department chiefs, as well as to make the best use of the new people and to treat them considerately. There also was a deliberate intent not to hire large numbers quickly only to have to terminate them early.

Other reasons were suggested for the delayed planning and hence the delayed hiring. The City administration had neglected earlier, perhaps inadvertently, to ask for City Council acceptance of the PEP allocation and was timorous about the Council's response when asked to accept the PSE funds, especially if Council members had patronage questions in mind. The constant pressure for swift action by the regional DOL did not help the PEP/PSE staff to establish an orderly, line procedure acceptable to administrators who were supplying slots. Nor was the PEP/PSE staff of sufficient size to handle a crash hiring program; a slower, more deliberate procedure had been envisaged. Additional staff had not been hired, even when funds were available to do so. The need to suddenly interview and refer a much larger number of applicants forced the PEP/PSE office to hastily borrow people from other departments. These conditions were not optimum for ensuring enrollee eligibility and impartial selction, especially when some of those helping were politically active individuals.

The PEP/PSE administrators were limited in their ability to impose selection standards on departments without the firm backing of high City officials. They also occupied an ambiguous position with respect to the City's personnel office, whose clearance was required when hiring personnel. This office had the reputation of making patronage decisions. Given their uncertain position and authority vis-a-vis regular line departments, and the City personnel office, the PEP/PSE administrators could not easily refuse an applicant who met the eligibility requirements but had been pre-selected by a department or had been referred by a private source, nor could they readily countermand a decision by the politically oriented personnel office. On the other hand, they also were unable to obtain the uninterrupted attention of City officials, because of more pressing municipal problems. In addition, the ability of PEP/PSE administrators to conduct an orderly well-represented selection process was not helped by the heavy influx of applicants resulting from the publicity in the press that the regional DOL had encouraged to spur hiring.

It was inevitable that City personnel in departments with PSE slots would have advance knowledge of them and would inform their friends and relatives.

The public pronouncements might have indirectly reinforced this informal dissemination of job information. Those least likely to be attracted by the newspapers were the disadvantaged and minorities. They might be less likely to read the papers than others or conclude that they did not have the same chance as others to be hired. But not to publicize the jobs would have ensured that these groups would have been automatically barred. Probably the best approach would have been to actively recruit from community organizations and reserve a certain number of slots for such referrals.

As previously observed, priority might have been given by the City to the provision of public services most likely to influence elections. The informal dissemination of job information and the emphasis on such public services probably meant that departments preferred enrollees who were capable and/or who were political assets. Consequently, it is questionable whether the disadvantaged could have received priority unless special provisions were made. EEA and PSE had the unstated dual goals of hiring the disadvantaged and of providing needed public services. EEA had given priority to the first goal, and Boston had satisfied it. Title VI, of course, had no requirement that the poor be hired. On the other hand, all Title II and Title VI enrollees could have been drawn from the poor. In Boston, all were not. Why they were not could be attributed to the factors discussed above and to the more permissive nature of CETA compared to EEA in terms of appropriate enrollees.

At the same time, those departments that were most responsive to hiring either the poor or the disadvantaged believed their missions to be vital and so sensitive that they wanted to exercise extreme care in selection. Some resorted to preselection or hired independently in order to ensure quality; they were apt to cream the disadvantaged, if they hired them at all.

In addition to the referral and hiring problems that beset the program, there remained two potentially conflicting goals: (1) employ a substantial proportion of the long-term unemployed and the disadvantaged, or at least those with poor labor market prospects, and (2) provide important municipal services. These two objectives were to be achieved in a loose labor market in which experienced, competent workers would be available, and in a labor market in which the salaries of City jobs were on the high side of the local wage structure. Acceptance by City departments of Title II disadvantaged enrollees had been eased by favorable EEA experience, but not always by departments that did not provide direct human services. Traditional city departments

preferred applicants with the appropriate work experience and educational credentials. Despite substantial monies assigned in the budget for training, few clients either received adequate on-the-job training to acquire marketable skills, or willingly took advantage of the opportunity available to acquire them formally.

Finally, a problem that arose in PEP and continued in PSE was the reluctance of enrollees to voluntarily leave the program for another job. Their public job was likely to offer a higher salary and less arduous work than was likely in the private sector. The PEP/PSE staff also realized from its EEA experience that the City lacked close ties with business and lacked enough job development expertise to place enrollees. Because of this, the United Automobile Workers Union (UAW) was subcontracted to handle placements. The UAW had bargaining contracts in area metal working establishments that were seeking individuals to fill machine tool operator-set-up man vacancies.[32] Some of the placement problems faced by PSE could be attributed to the reluctance of private employers to hire individuals accustomed to a higher wage and a steady, less demanding job. Employers also were inclined, reportedly, to assume that the productivity of City workers was lower than that of their counterparts in private industry.

The DES was not used because it was doubted that it could provide the same amount and kind of counseling that the PEP/PSE staff in conjunction with the UAW could provide. More importantly, it was doubted that DES had the same kind of personal relations with employers, and of course it lacked the on-the-job support and leverage of the UAW.

The failure to develop referral links in advance, as discussed previously, contributed to crash hiring. It is difficult to understand why City administrators had failed to plan in advance, after experiencing similar Federal hiring pressures under PEP. Once crash hiring began, neither the City nor community agencies could have been expected to have been adequately prepared if their preparations had begun that late.

The DOL had alerted the City before that summer that a considerable amount of money would be coming, even though the exact amount was not known. Without specific dollar allocations and specific slot levels PEP/PSE

---

32. Despite loose labor market conditions, the machine trades have had supply "shortages".

administrators seemed to feel that it would be difficult to negotiate for definite numbers of positions with department heads. In their view, the Congressional budgetary process did not make it easy for the City to prepare in advance. Still, the process did not preclude advance planning; in fact, having had one experience with the unpredictability of Federal budgeting it would have been prudent to have anticipated a repetition and begin planning early.

The infractions seemed to stem from the lack of reasonable safeguards to assure impartiality in referral and hiring or in enrollee eligibility. The results could have been anticipated, namely, hiring tainted by favoritism, whether political or personal; enrollees unqualified in terms of residency, length of employment, or labor force status, and less than a desirable distribution of enrollees in terms of City neighborhoods or ethnicity and sex. During the winter, when hiring accelerated, the original PEP/PSE staff apparently was not in control. Lines of authority were murky. Individuals closely associated with City political activities were in strategic positions in the selection and referral process. In some cases, agencies within the Mayor's offices either preselected enrollees or hired them independently of the PEP/PSE office. One cannot easily escape the conclusion that the City waited until challenged before installing the administrative procedures required. In the interim, it allowed the natural course of events to occur, which meant hiring by a variety of traditional, informal routes that are part of the political process. If from the start, it had been clear that PSE fell within the control of the METAC, it is possible that the potential publicity might have led to different results.

Once crash hiring began there was little that could be done to prevent the consequences, or to determine easily who or what was responsible for administrative failings. However, crash hiring could have been anticipated and appropriate plans made.

Obviously, mutual distrust between the DOL and city administrators that ensued did not help solve the problems that did arise in the implementation of Title II and Title VI in their first year. In fact, the regional DOL found the City uncooperative, even obstructive, during the former's investigation of the alleged maladministration.

PSE Fund Allocations

When the exact allocations finally came, the regional DOL insisted that

the money be spent quickly, threatening that funds not spent by the end of FY 1975 would be lost. In the three months from July to October 1974, the City received both its FY 1974 Title II monies, amounting to 3.2 million dollars and its FY 1975 Title II monies, amounting to 3.7 million dollars, a total of 6.9 million. This money was supposed to have been exhausted by the end of June 1975. At the same time Title VI money was available, although the City, already flooded with Title II PSE funds, did not submit a grant modification for the final 8.8 million dollars of its Title VI money until December of 1975. The City thought that Title VI funds, amounting to 14.5 million dollars, had to be spent in 13 months, starting January 1975. Fiscal year 1974 to 1976 PSE allocations are presented below:

	Title II	Title VI
FY 1974		
Base	$2,238,200	-
Discretionary	996,403	-
Total	3,234,603	-
FY 1975		
Base	$2,382,085	-
Discretionary	1,330,900	-
Total	3,712,985	-
FY 1976		
Base	$1,15[illegible],403	$12,564,349
Discretionary	920,698	1,910,193
Total	2,076,101	14,474,532
Total 1974-76	$9,023,689	$14,474,532

Total PSE Funds: $23,498,221

The City had wanted to avoid crash hiring and the rapid enrollment of large numbers of people who would have to be laid off in less than a year because of the rapid expenditures of funds. Understandably, the City was afraid that it would have to make large scale layoffs shortly before an election. Irrespective of the election, hiring large numbers for a short time is not necessarily a wise practice.

Fortunately, by the spring of 1975, the DOL recommended that hiring stop because of the likelihood of cuts in PSE funding in the next fiscal year. Indeed, for FY 1976, Boston received Title II funds of 2.1 million dollars, 1.7 million less than the prior fiscal year. However, there were 14.5 million

Title VI dollars to be spent between January 1976 and February 1977. There was, in essence, a great deal of confusion regarding future funding.

That there existed a great deal of friction between the regional DOL and PEP/PSE administrators was evident. The RDOL's inability to provide precise dollar figures in advance and its position on hiring created suspicion about motives. The City administration became convinced that the RDOL intentionally was trying to embarrass it to prove the failure of decentralization. The City was particularly offended that a potentially damaging hiring pattern should have been required during a local election year. The neutrality of the Federal government was doubted.

By the fall of 1974, there had been a large number of Title II hires; by the middle of November 1975, all of the three fiscal years of Title II monies had been spent. By December 1975 most of the enrollees had been transferred to Title VI, since so little of this money had been used. At the time the City had approximately 20,000 municipal employees; the 1500 PSE enrollees hired within a period of a few months represented 7.5 percent of the existing municipal staff. The rate of absorption, if we assume that this hiring had all occurred in a three-month period, would have amounted to over 25 percent on an annual basis. So rapid an expansion would have created difficulties even with the best of planning.

New Developments in PSE

It was not until later that functional areas outside of the city government were considered. When additional Title II money was received to be spent in a six-month period in FY 1976, CETA-II administrators decided to allocate the additional slots to non-profit agencies. Proposal requests were distributed and selected by an elaborate procedure to achieve objectivity. The regional DOL refused to release the money to the City until it was assured that the selection of enrollees would be free of all the earlier charges of nepotism, patronage, and ineligibility that had tarnished PSE in 1975. At first the regional DOL recommended that an agency other than the City be solely responsible for recruitment, referral, and enrollment. Negotiations between regional office and the City left the selection and referral process in the hands of the City, but following procedures that insured impartiality.

Why did the City decide to allocate slots to private agencies? First, there had been constant pressure from members of METAC and private non-profit

agencies for slots. Second, the program length was short and hence costly in terms of initial processing and training, and third, the City was finding it difficult to digest PSE enrollees and then to place them in unsubsidized jobs. Finally, placements in private agencies meant that more people could be hired because their wages were lower than the City's for comparable work.

Postscript

It is always difficult to decide when to call a halt to field work when studying a continually changing set of institutions. Since the official end of our fact gathering (spring 1976), certain developments have occurred that may be harbingers of the future, and not passing fads. At a minimum, these developments represent a searching for different, more effective approaches. They are cited without trying to seriously assess their significance or draw conclusions. They probably should be seen as heavy straws in a strong wind.

Fiscal Year 1976-77 saw plans to establish a new vocational educational facility in a rehabilitated building in the former Boston Naval Shipyard Annex intended to be converted to an industrial park. The facility is to be maintained by a quasi-independent City agency, with the courses subcontracted to private nonprofit technical schools and, among other things, train workers for plants attracted to the park. In a racially neutral zone and accessible by public transportation to low income white neighborhoods close to Boston's downtown section, the Annex probably will become the major training resource for poor whites of South Boston, Charlestown, and the North End.

There were centrifugal developments as well. All youth programs funded by CETA, including the summer program, will be supervised and monitored for the BMA by a special unit in the City's Youth Activities Commission. Next, CETA money will underwrite a one-year certified LPN program administered by Boston City Hospital (BCH) and formerly financed entirely by the City. This program, in existence for many years, has achieved national recognition. With CETA funding, the BCH-LPN program will be enrolling poor clients and its student body will include relatively more minorities.

The feminist thrust begun by the METAC's Women's Committee continued, in FY 1976-77, in the form of a one-year contract to the City's YWCA to conduct a training program to prepare low income and minority females, for "nontraditional" occupations, that is, male dominated skilled trades and craftsmen jobs. The YWCA, it will be noted, had been a serious contender in

the prior year for a unique experiment to educate BMA staff, contractor staff, and METAC members about equal job opportunities for women and other minorities.

If any change in policy has occurred, it has not been so much in terms of long run planning or long range strategy,[33] but more in terms of political control; that is, the City direction seems to be to fill more of the staff positions with City employees, to control programs more directly, and possibly to provide services itself. Theree seems no inclination to increase the role of the traditional community based agencies. This has been accompanied by the appointment of minority members with community reputations to high positions in the City administration and giving them responsibility for employment and training affairs. The new appointees are persons whose careers began with community agencies and who have had extensive experience with manpower and equal employment matters. The evidence seems to suggest that the City administration is beginning to assume some of the manpower authority of community agencies.

---

33. Although short run planning by the BMA appears installed.

SUMMARY AND CONCLUSIONS

CETA had been in existence for slightly over three years when our field work ended; however in practice the new law became fully operational only in the 12 to 18 months prior to the end of our research. Time was needed by the prime sponsor to establish a functioning employment and training administration. Time had to elapse to allow any local changes to become effective. One can question the merits of judging the efficacy of CETA after the brief exposure of a year or a year and a half. It is the long term consequences of an evolving system that should be the object of study. Eighteen months may be too short a time to expect any significant changes in a complex manpower system, let alone changes leading to clear-cut identifiable results. What can be discovered in such a short period is the direction of change.

Other caveats should be heeded. During most of the time that CETA was in operation in Boston, labor market conditions were loose. Unemployment was either rising or high, despite a net increase in employment (1971-1975). The cyclical downtown in 1974 was superimposed upon long run structural changes that were not especially benign for manpower programs. The City's economy increasingly offered two kinds of jobs, those at the top of the occupational structure that required high levels of education and sophisticated skills, and those at the bottom, in low level service work. The number of blue collar jobs was falling. The growth in clerical jobs provided opportunities that were at least semi-skilled, but even here there were limitations because of the lack of growth gains in the government sector. There also was a net population loss accompanied by a relative increase in the number of minority persons. In view of these economic considerations and time limitations, one could anticipate only peripheral changes and only hints of future potential and trends.

Were the CETA goals of decentralization and decategorization realized in Boston? Did CETA lead to programs that better reflected local priorities? Did it lead to more effective, better coordinated activities? Did it open the decision making process to local groups involved in, or recipients of, the services of these programs?

Special Features of the Boston Manpower System

When CETA came into being, the City of Boston already had a diversified, well-rooted structure of manpower agencies and programs, created under the EOA and MDTA, and later the EEA. There were three prominent manpower agencies, two with strong ties to the community. One of these was ABCD, a CAP agency responsible for the City's CEP as well as other manpower programs. The other community agency, OIC, was more than a local institution; it was an established link in a respected national organization.

In addition to these two community agencies there also existed a flourishing, but perhaps controversial, MDTA multi-skill center operated by the quasi-independent school department. Finally, the PEP program, in operation since Fall 1971 was administered independently by the City government. Links between it and the other programs did not develop, despite pressure from the DOL.

The imposition of a CETA prime sponsor on this flourishing system of formidable agencies was not particularly welcomed by them. Rather, it was viewed with considerable misgivings, suspicion, and injured pride by community groups. They say the prime sponsorship as offering the City government an opportunity for a takeover and, if this occurred, a displacement of agency leaders by those with political loyalties to City Hall. Superimposed on this scene was the anticipation, because of the Title I allocation formula, of a steady decline in funding that would discourage innovation and would lead to the opposition of new programs and agencies. The circumstances were not ideal for launching a new manpower system that sought to encourage flexibility and interagency cooperation. If the funding prospects had been the reverse, perhaps a much different story would have unfolded. Given the bleak money prospects, most of the energies of agency administrators were devoted to maintaining their existing level of operations. Agencies concentrated attention on getting their share of the funds, and this diverted administrators from other goals.

To some extent the manpower network in Boston was a semi-segregated one, particularly for adults. One of the key manpower agencies, OIC, was and still is a grassroots minority organization in a nonwhite area of the City; the other key agency, ABCD, was overall multi-racial, in terms of clients and staff, but had a number of training and recruiting sites in racially homogeneous neighborhoods. One of the two facilities of the multi-skill center had

a high proportion of white trainees and was in a white working-class neighborhood; the other site was multi-racial. Most of the pre-CETA recruiting and placement structure was operated by ABCD and a major part financed by OEO and after CETA by CSA. The bulk of this part of the manpower system remained outside the jurisdiction of the prime sponsor; however like total manpower funding, CSA funding also was declining.

Much of the initial manpower policy and direction was left to the BMA to develop and articulate. There was no obvious position or policy role defined at the Mayor's level, although there were signs of a more active mayoral role later.

This mutual passivity was both an advantage and disadvantage to the BMA. Although the BMA had considerable latitude, it did not know the extent to which it could depend on higher level support if an existing agency became uncooperative. The impression is that the Mayor's office took a hands-off policy provided there were no politically embarrassing conflicts. The exception was control of PSE; this remained within the City Administration. The Manpower Administrator of Title I programs also had a self-imposed limitation, the Advisory Council, whose role he had encouraged and helped develop, in accord with CETA injunctions, and whose influence grew over time. Initially, determination of priority groups and the acceptance of programs and agencies were his to propose in cooperation with his staff; circumscribed, of course, by the strength of the established institutions. In reality, given the presumptions of CETA and the envisaged role of the Advisory Council, he had little room for maneuver with respect to client groups and types of programs. As noted earlier, council business preempted the time of agency administrators, and innovation took second place to the problems of funding.

Summary of CETA Title I

One result of CETA was the continuing development of the participatory process in employment and training decision making, reflected in the Advisory Council. This Council has flourished in Boston because of active encouragement by the regional ETA and the BMA, because of the availability of concerned and interested individuals, and because of the presence of organized client groups and agencies. The Advisory Council, because of its open participatory process, attracted agencies who were suffering funding reversals and allowed them to have a role in the planning process. The active participation was no

doubt encouraged by the willingness of the Manpower Administrator to accept its decisions. The Mayor, whose political position did not depend on the support of these particular marginal groups, let their recommendations stand. However, the influence of the Council reflected more than official encouragement and its consequences. The Council also filled, to some degree, a gap left by the early administrative weaknesses of the BMA that prevented effective planning.

A serious deficiency in both pre-CETA and post-CETA days was the lack of systematic, coordinated short run planning and the absence of long run planning. Planning was done, but only on an erratic, spotty, short run basis. Some of of this could be attributed to the fact that after CETA was implemented, funding remained on an annual basis which precluded serious planning for longer than one year. In addition, the hold-harmless formula stifled any initiative to be innovative and put a premium on maintaining the status quo.

Some of this lack of planning could also be attributed to the administrative disarray within the BMA itself. Its key officials had to devote so much of their attention to internal matters and the development of information systems that little time was left for planning. Moreover, without reliable and current information, planning could not have been seriously undertaken. However the lack of information extended beyond the City. Readily usable and adequate labor market data were either scarce, dated or both. Coordinated manpower planning is not inherent in local government. It certainly is not in the forefront of the thinking of municipal officials or federal administrators either. Administrative matters and short run budgeting permeate the manpower system, beginning at the national level. There thus remains a serious obstacle to effective, detailed planning beyond the control of the local manpower system, namely, the uncertainty about exact funding because of the Congressional budgetary process and because of CETA's discretionary funds. Establishing long range goals would undoubtedly make long range planning more feasible.

In FY 1976, in preparation for the FY 1977 Plan, more thorough and more rational shortrun planning on a realistic basis appeared probably motivated by the realization that a reduction in the level of operations could no longer be postponed. Resources were allocated to basic priority groups in proportion to their share of the universe of need. Both the BMA staff and the committees of METAC were participants in the decision making process that determined where the cuts were to be made. However, this was shortrun planning, whose main

consideration was devising a viable budget, and it certainly was not long range planning.

The intervention of a Federal court in the manpower system probably resulted in the most drastic change. The court ruled, in effect, that the resources that were being used principally for adults in the former MDTA multi-skill training center be transferred to high school dropouts as part of the court's school desegregation plan. The operational costs had been financed by CETA 112 funds, while prime sponsor funds were to provide the stipends. The effect of this intervention was twofold. First, a substantial proportion of the resources were removed from the direct control of the METAC and the prime sponsor, and second, funds were diverted from adults to youth.

In addition to these major changes, the program and administrative roles of the DES also have declined. The program diminution began before CETA but was accelerated by it. The decline of DES' administrative role was primarily a result of CETA. Furthermore, the development of the Assessment Centers can be directly attributed to CETA.

CETA was also associated with other developments, which are only itemized here because they have already been discussed in detail. (1) A minority controlled job placement program to employ minorities in construction was substituted for an industry administered area-wide training program in that industry. (2) A substantial reduction of OJT was made, and this money and lag money was diverted to placement activities for special groups (i.e., older workers, substance abusers and ex-offenders), and (3) lag money also financed an experimental program devised to institutionalize equal employment opportunities for women employees of the BMA and its contractors and their enrollees.

However, CETA created few, if any, incentives for agencies to cooperate in providing services. CETA also accepted the continuance of parochialism. For example, implicit in CETA is the definition of the labor market as the political jurisdiction of the prime sponsor. This was mirrored in the METAC's unwillingness to contract with agencies outside the prime sponsor's jurisdiction. CETA also allowed, if the prime sponsor so desired, creaming of the disadvantaged, because of the leeway given prime sponsors to determine program objectives and income eligibility. CETA probably has led to an increase in administrative costs relative to operational costs because of an increase in the number of administrative units and agencies and the subsequent loss of economies of scale and specialization.

Finally, after much initial delay and many administrative obstacles the BMA created a management information system, soon to be automated, that is furnishing the program data essential for planning. The BMA also initiated an independent follow-up survey whose intent was to assess the longer run effects of different programs for different clientele. Previously, follow-up had been an agency responsibility whose validity was always suspect and which was not used to rationally allocate resources or to do longitudinal analysis taking into account local labor conditions and program characteristics.

Boston took advantage of the ability provided by CETA to take a comprehensive look at the local universe of need and to choose local priority groups that included those least likely to succeed in the labor market; namely, the unskilled, the poorly educated, the chronically unemployed, minorities, and various other groups with employment problems. To its credit, the Boston prime sponsor, despite the creaming possibilities opened by CETA, chose to serve in its Title I program the economically disadvantaged, and groups discriminated against in the labor market or otherwise poorly served by it. This was a continuation of the pre-CETA focus.

CETA also makes possible coordination of clients and services, the prevention of duplication of effort, and the promotion of agency and program specialization based on prior experience with different groups. In this area, Boston has not been able to exploit the potential of CETA. Noticeably greater interagency coordination has not developed. Assessment Centers were established to control the flow of enrollees from initial intake points (the NECs) to programs, in order to avoid excessive holding, maximize enrollments, and improve the match between clients and services. It is not obvious that matching has improved much compared to pre-CETA days, when CEP was the main coordinating mechanism but limited to ABCD and its subcontractors. In theory, the Assessment Centers can assign enrollees to the most suitable program irrespective of agency. In practice each agency has probably placed priority on filling its own slots with applicants it prefers.

If duplication of effort means unused slots because two or more programs provide the same services for a limited clientele, such a luxury has not existed in Boston. If duplication means that combining two or more such programs would reduce costs, then CETA has led to some retrogression. Greater specialization has occurred to some extent but accompanied by some loss in efficiencies of scale. In any case, gains and losses associated with less or

more duplication or with less or more specialization appears to be small.

Finally the extraordinary difficulties in creating and directing an effective manpower staff free of political consideration may be academic to decentralization.

One last conclusion, based on our limited Boston experience, is that in cities with mixed racial, socio-economic groups, local political decisions may not favor the poor. The poor still may not be in the mainstream of the local political process. Consequently, making manpower policy a function of that process quite possibly leads to priorities based on need other than the needs of the disadvantaged. In Boston, strong community agencies created or supported by EOA, have been main proponents of the poor and of minorities in manpower decisions, and have been a key factor in maintaining the openness of the process. Programs and clients have not changed significantly in comparison with the pre-CETA period.

Summary of PSE

The personal characteristics and economic status of PSE and of Title I enrollees were much different. Title I enrollees were younger and less educated, and much more likely to be ethnic minorities or females. All were poor, in contrast to only a minority of PSE enrollees.

Contrary to the intent of Title II, there were only slight differences to distinguish Title II from Title VI clients. Only some of this homogeneity was due to the large scale switching of enrollees between Titles as different funds became available or had to be spent. The objective was to avoid early termination. As one progresses from Title I to Title II and then to Title VI, enrollees were more likely to be males, better educated, white and in higher income groups. As the economic climate worsened the direction of manpower efforts shifted from helping the poor and minorities to maintaining the income of those in the mainstream of the labor force.

Little, if any, formal training occurred under PSE. The clients performed important but not necessarily vital services, and the work reflected the city administration's priorities. The scope of the work was limited by the skills of the clients, the transitional nature of the jobs, and departmental vying for enrollees. Nevertheless, certain PSE activities involved critical human services and had innovative features. The METAC planning procedures never became responsible for PSE. Title I programs were rarely coordinated with PSE,

although PSE money did finance certain Title I work experience programs. Finally, public and then official criticism of hiring irregularities and delays forced a change in hiring procedure, as well as improvements in the assignment of enrollees. The main impact of the METAC was to focus attention on the limited participation in PSE of women and minorities, and to induce corrective action, although by then too late to permit major reform.

Responsibility for some of the hiring problems have to be shared by the city and the federal government. Both the city and the regional office were the victims of pressures and limited information over which they had no control. As a result the regional office could not provide adequate help. Furthermore, at a critical time, for unclear reasons, the city failed to provide explicit direction or give firm support to the PEP/PSE administration.

It is difficult to say whether the main effect of PSE was to provide municipal services or to provide income to the unemployed. This does not mean these two goals are inconsistent. However, it can be said that the conflict between making the unskilled and the poor more employable and the provision of vital public services efficiently was not solved.

Were worthwhile municipal services provided that probably would not have been without PSE money? Unquestionably yes. As a result there was probably a net addition of jobs, chiefly in the first fiscal year.

If the purpose of Titles II and VI was to provide, in the shortrun, transitional employment, leading to permanent unsubsidized jobs, PSE probably failed for various reasons. Labor market condition remained poor. The city was trying to reduce its employment, enrollees most in need of formal training did not receive it, and the city had few links to private industry for effective placement. PSE was an income maintenance program that contained an effective work element, but there is no evidence on whether the employability of clients, once terminated, has improved. Perhaps Titles II and VI had no other purpose but to provide counter-cyclical public service employment.

Attainment of Decategorization and Decentralization

Were the main goals of CETA realized in Boston? Decentralization was achieved, as shown by the growth in the influence of the METAC. This was partly intentional and partly unintentional. The unintentioned part was due to the weakness of the BMA staff and its initial failure to create effective information and control systems. However METAC's ability to initiate planning

or to provide meaningful monitoring and evaluation has been limited. The planning function probably will remain underdeveloped because of structural reasons. The monitoring and evaluation responsibilities can develop with proper staff support. The METAC is still a body that primarily reacts to staff recommendations because the staff controls the flow of information.

Decategorization, however, had little impact, if by decategorization is meant the creation of new programs for different kinds of clients. To some degree, this is to the credit of the BMA. The City's pre-CETA programs, especially the community one, had served the poor and minorities. CETA Title I programs continued this focus, not by Federal government mandate but by voluntary action of the city.

Few fundamental changes were made in programs or agencies, and one of these changes was imposed from outside the system by the Federal Judiciary, seeking to desegregate the local school system. The lack of program innovation or acceptance of newcomers was due to the cut in Title I funding, to the important role of agencies on the METAC, and to the maturing of the vital manpower agencies created in the 1960's. These manpower agencies never had a realistic choice of investing heavily in relatively few enrollees or meagerly in many. They began in the latter direction; the expanding labor markets of the second half of the 1960's probably allowed this (or concealed its weakness). CETA's budget cuts, however, came in the deteriorating labor markets of the 1970's when more not fewer people needed help.

CETA did open the system to new agencies and programs but the effect was limited in terms of their size, services, and clients. The resources allocated to the newcomers were a small portion of the total allocation, and most of the programs were not unique in concept or design. The decision making process became more open but the prime actors or initiators were the agencies and the BMA, not the clients or the METAC. Nevertheless the METAC did force the city to keep the METAC informed about PSE operations and to modify them to some extent.

Decategorization was not relevant for PSE, which tended, in Boston to remain for political reasons independent of Title I activities and its decision making procedures. PSE, a heavily funded Washington created program, shifted the emphasis of the manpower activities both in terms of resources and services. Local prime sponsors could have used Title II money for Title I activities. This occurred in Boston but only in a limited way, when PSE

money funded new careers and adult work experience to help compensate for the drop in Title I funding. PSE did not serve the same population group as Title I. Title I's clients continued to be those with serious labor market disadvantages; Titles II and VI helped those with either fewer or none of these handicaps.

The interchange of views that METAC has facilitated probably has produced better decisions than would have occurred in its absence. However, the value of these decisions is difficult to assess if one tries to see them translated into better and more coordinated programs. It cannot be said unequivocally that the immense amount of time and energy devoted to the METAC process has led to programs that are strikingly different or superior to those existing before CETA. The amount of resources devoted to administrative activities probably is higher, even if the pre-CETA organization of the RDOL is considered. CETA directly and indirectly has meant more resources, tangible and intangible, spent on other than direct resources to clients. It is not easy to show commensurate gains in improved services or better administered programs.

It is possible that the regional office of the ETA, with the same number of people and the same money spent, would have done as well as, if not better than, the BMA during the same period. There are three main reasons for this suggested possibility. First, the Regional ETA was an established, functioning organization with experienced personnel. Second, in general the regional staff dealing with Boston seemed better educated and more qualified than the prime sponsor's staff. And third, the ETA did not face the same local political constraints in making decisions, particularly those involved with staffing.

The regional office would have had to open with the same interagency rivalries and the same reluctance of program operators to supply information. However, because of technical skills alone, the regional office staff probably could have more quickly established workable management information and financial management systems.

RECOMMENDATIONS

The following recommendations are based upon our observations in Boston alone. The recommendations are arranged in three categories. The first are general in nature, the second are recommendations related to specific kinds of programs, and the third to specific activities that cut across programs. It may be noted that some recommendations involve changes in legislation, some involve changes or considerations for the prime sponsor, and others involve changes or considerations for the Regional Office of ETA.

General

(1) If severe manpower problems are concentrated in older central cities, a distribution formula that reduces their manpower funds is not conducive to innovative, coordinated programs that better serve poor people.

The distribution formula should be based primarily on a prime sponsor's proportionate share of all poor persons 16 to 64 years of age. Programs are not for those out of the labor force, and inclusion of those persons 65 and over would likely favor suburbs over central cities. The current distribution formula does not refer to poor persons 16 and over but to low income adults; moreover, their weight in the formula is a meager 12.5 percent. A weight of at least 50% to an area's share of the poor would be more appropriate. No weight should be given to the prior year's allocation except as a minimum guarantee to each area. The lower age of 16 recognizes the high proportion of young people in the poor population, and the necessity of preventing their becoming members of a chronically underprivileged alienated group. The remainder of the distribution formula can be based on deviations of an area's unemployment rate from the average for the nation.

It will be noted that this formula ignores the incidence of poverty in an area. To take account of this factor, an area should be guaranteed a minimum allocation per poor person 16 and over. The exact amount should be based upon the prior year's allocation per poor person 16 and over in the country as a whole.

Our formula and existing ones made no concession to changes in the price level. To be consistent with a basic guarantee per person or area, all money allocations should be adjusted to a real basis.

(2) If increased employability, self-sufficiency and self-respect is directly dependent on the resources invested in people, the amount available per enrollee has been parsimonious. Moreover, a substantial portion of manpower funds are not human capital investment, but stipends, or work experience wages, which are income maintenance transfers. This vital distinction is ignored in reporting manpower allocations. The real cost of training should omit stipends, in order to isolate the amounts invested in services that enhance employability.

OJT wages, as well as work experience wages, incorporate both investments and income maintenance. The exact division between the two might be delineated by assuming that only payments above some fraction of the minimum wage constitute direct investment. The fraction might be one that derives an amount equal to the per capita poverty level income. The income maintenance portion of ETA funds might more appropriately come from the HEW budget.

(3) The amount of money spent per enrollee for classroom training alone, excluding stipends was approximately $450. This amount represents a negligible proportion of the total amount that would have been spent on an individual's education if he had completed high school. It is unreasonable to expect this small manpower investment to compensate for the failure of the educational system in Boston and in other areas from which persons migrated (e.g., Puerto Rico). If the educational system were made accountable by having to finance its share of manpower costs, a powerful incentive might exist to prevent the problems the manpower system must solve.

(4) The success of the strategy of short preparation to achieve entry level job readiness still has to be validated especially for males. Unpublished data for Boston suggests that this strategy may have had limited success for females, especially minority females, because it to some degree upgraded their occupational status and possibly raised their annual earnings. However, their new earnings averaged not much more than $500 a year above the official 1976 poverty level of $5500 for a four-member family. Nonetheless, the limited investment per person could hardly lead to a much better gain.

(5) When the labor market is loose and jobs scarce, programs should be lengthened and training intensified because, from society's viewpoint, the opportunity costs are negligible. Manpower funding and budgeting, however, does not respond quickly to economic conditions. A distribution formula taking into account deviations in excessive unemployment would be unsuitable because

an area's primary allocation (see point (1) above) would be based on unemployment as of a given time period in the past. The allocation to take account of rising unemployment would have to be based on more current changes in unemployment and would have to be in addition to the primary amount. As unemployment falls additional funds would be halted so that additional enrollments and/or the lengthening of programs would stop. It would be programmatically unsound to reduce funds in order to shorten programs or terminate enrollees prematurely, except where legitimate job placements were made prior to an individual's completing a program.

The additional funding should go to Title I or II programs. Of course Title VI made additional funds available as unemployment rose, not to manpower training programs but to PSE, which in Boston did not serve the same clientele as Title I programs. If Title II programs were required to enroll only poor people, additional Title II funds would go to those most needing help.

(6) One-year contracts encourage shortrun goals and shortrun tactics, not longrun planning and longrun strategy. They also encourage shortrun programs that are likely to lead to placements in the secondary labor market or placements in jobs with few promotion opportunities. A big step in the direction of longer range planning would be to fund agencies and/or programs longer than 12 months. This could be done on a selective experimental basis to start. Such programs should be open-ended to permit adjustment to changing labor market conditions.

(7) The advantages of decategorization and decentralization might be achieved by various prime sponsorship concepts or models. For example, the regional ETA could serve as a prime sponsor for a cohesive labor market area and have a representative advisory council. The ETA would be responsible for both Title I and PSE programs. The ETA staff would be less vulnerable to local political pressures. It also is more likely to include professionals with a longer run dedication to manpower affairs than the more transitory city personnel. Some administrative economies of scale also would be achieved. There would be a more extensive labor market area for coordinate job creation and job placement. A regional or subregional approach would minimize many of the political and institutional considerations that handicap a more rational administration of Title I programs.

Funding would continue to be allocated to existing prime sponsor areas. Council members would be drawn from agencies, institutions, and local

governments in proportion to the funds given to each prime sponsor. The current regulations about the distribution of members and their voting rights could continue.

A Federal prime sponsorship is not the only alternative. Another form of decentralization would be local ETAs independent of local authorities. Such ETAs could be modeled after independent transit or turnpike authorities, but without their own source of funds. An advisory council could serve in the place of a Board of Trustees.

(8) DOL approval of annual Title I plans should include, as a criterion, evidence of long-run planning. A review of long-run industry and occupational trends and an explanation of how programs reflect these should be required. Furthermore, an explicit exhibit of the rational selection of alternative programs based on past performance and costs should be presented in order to justify why one program is preferred to another.

(9) Assuming that the current pattern of prime sponsorship remains, prime sponsors should have the authority to determine, within standards established by the Federal government, the qualifications of the contractor's staff in order to in order to insure that program administrators have appropriate technical and managerial skills. Where existing staff lack such qualifications, resources should be provided to correct this deficiency with mandatory training and education, and with on-the-job guidance. The MTI of the regional office has helped remove such gaps. In addition, however, regular courses at the post-high school level are needed in such topics as budgeting, personnel administration, counseling, labor market and human resource economics, and job development.

In turn, the Federal government should set guidelines for the qualifications of the staff of prime sponsors. There is a twofold objective here. The first is the hiring of the individuals with the necessary technical skills or experiences. The other is to prevent purely political hires. The guidelines might include a formal preparation in manpower programs and planning a substantial record of accomplishment as a manpower administrator.

(10) The openness of the CETA advisory council in Boston has made the BMA the target for groups frustrated by the failure or inability of appropriate Federal, state and municipal bodies to help meet justifiable demands of these groups for equal opportunities in employment. In effect, the BMA has had to be much more than an agency responsible for planning and overseeing the administration of employment andtraining programs. It also has been asked to spearhead changes in social policy not necessarily endorsed by institutions whose

cooperation is vital for successful placement. Determining the effectiveness of the Boston CETA has to take this special responsibility into account.

(11) The participatory process requires very strong and sustained administrative support to be effective. For the advisory council to provide meaningful input it should have its own independent staff. Furthermore, if the staff is to be completely independent, it needs to be separately funded.

(12) Evaluation systems of different prime sponsors should have enough common features for an adequate comparison. For example, definition of such things as types of terminations, participants, and retention should be comparable. Explicit measures used to determine success and weight given by all prime sponsors to these measures should be made available. In addition, all evaluation systems must take into account job quality as well as educational placement, and not simply job placement. Regular, systematic communication between prime sponsors on technical information and experience should be created.

Specific Kinds of Programs

(13) As a result of CETA, some of the slots in the in-school youth program achieved a continuity and an integration between work experience and education that had been lacking previously. To be meaningful, both the regular and summer youth programs should provide a cumulative experience for youth, so that the same individuals move progressively from one work experience to another. This preferably should be combined with schooling so that the youths benefit from a career orientated program.

Enrollees of the in-school youth program should remain in it during the summer. In-school positions should be developed with the idea that they would be available when school closes. The large summer program probably cannot be dropped. However, its administration would be improved if prime sponsors and agencies could depend on the same or similar spending levels each year, with a change occurring gradually, say by annual increments (or decrements) of 10 or 15 percent.

(14) The out-of-school youth program should have multiple goals. It should be a substitute for school, so that a youth is ready to enter the labor market or continue his education at "graduate" age. It should also impart vocational skills and work discipline. The multiple goal approach is desirable, provided that it is realized that the same goal is not suitable for all enrollees and furthermore that the means are available to match enrollee

needs with specific goals. Irrespective of the specific goal, a youth should remain in the program until he reaches the age at which young people normally enter the full-time labor force. The measure of success should not be the placement rate alone but the proportion kept until this "graduation" age and then job placed or enrolled in school (or another suitable program).

(15) The priority of the multiple goals of PSE should be specified either by the Federal government or by the prime sponsor. The kinds of individuals to be helped depend on the program objectives. The program can be designed to improve employability, provide jobs (that is, maintain income) and/or provide important public services at a reasonable cost. Through our Boston experience, we have found that these objectives are not all mutually compatible, and furthermore specific program components would not be the same in all cases.

This questionable value of PSE as currently constituted, is just one more example from a program that has conflicting goals. Title VI probably should not be part of CETA. Title VI is an employment program for those without serious labor market problems, other than the high rate of unemployment in an area. However, there is a place for Title II in CETA, provided Title II serves only the economically disadvantaged and has specific links with Title I programs. If these links can not be established then all Title II funds should be made available for Title I programs.

(16) OJT should be confined to the primary labor market and should be closely supervised by the prime sponsor. One way to distinguish between a primary and a secondary employer would be the average wage paid by the establishment relative to the average wage in the area. Other criteria would be the quit rate and layoff rate of the employer relative to the comparable area rates, and the turnover rate on the particular job or the occupation funded by OJT. The training format should be similar to that of apprenticeship programs; that is, follow an explicit schedule of job tasks to be taught at work. Prime sponsor representatives should visit the plant periodically to ensure adherence to this schedule.

(17) One way of increasing flexibility and versatility of programs to adjust to longrun labor market conditions is to use the purchase of services contract to a greater degree. This should only be used in areas that have established educational and training institutions that are not dependent on manpower monies. Furthermore, considerable care has to be taken that such contractors have demonstrated an ability to effectively train disadvantaged and minority enrollees. The most effective way to insure utilization of this

alternative would be to require that a certain percent of Title I monies be spent on purchase of services contract of this sort.

(18) In general, too much emphasis has been given to formal classes and too little to OJT in the primary sector supported by sophisticated job development. In addition, the formal classes have been confined to a relatively few conventional areas, repeating those taught by vocational high schools.

Specific Activities

(19) A vital part of the manpower system is job development. The concept of job development needs to be closely examined in order to understand better the nature of job development and what determines its effectiveness. At a minimum, the job developer must be someone with close links to a few industrial and occupational sectors. Job developers should know the type of skills and qualifications specific employers want. Job developers should be able to communicate these specific needs back to programs, so that they can prepare enrollees in a manner that realistically improves their chances of being hired and retained.

Job development and industrial and occupational projections are related. Given the state of the economic art projections at best can only identify growing industries and occupations. Which particular establishments are expanding and which offer the best longrun employment opportunities within these growing sectors requires intelligent job development. State Manpower Service Councils should sponsor studies of area economic trends. The actual studies might be done by the State Employment Services, or a State Economic Council (in Massachusetts this would be the Office of Economic Affairs), or local universities.

(20) Incentives are needed to encourage inter-agency and program cooperation. At present, programs receive no immediate credit for transferring a person. Nor is there much of a longrun benefit to transferring an enrollee unless a positive termination results. Incentives also are needed for programs to accept transfers. Program coordination probably requires that an agency receive special credit for achieving it.

(21) The failure to develop appropriate incentives for inter-agency cooperation can be illustrated by the dual system of adult education in Boston. The public school system teaches English to adults from other countries and cultures. Manpower programs have ESL courses doing the same thing. Admittedly the goals are different. In the first case, the goal is acculturation, in the second, employment.

Two separate questions can still be asked. First, should two independent systems teach English to non-English speaking adults? The second question is, should not educational funds be used for English classes and ETA funds only for stipends when no training or work experience is involved?

It appears that many of the burdens undertaken by ETA programs reflect failures of existing institutions; i.e., public schools,mental health services, etc. The justification for ETA programs is that new institutions will not make the same mistakes with the same clientele as the ones that served them poorly before. Nevertheless, should not educational or comparable monies finance the new ETA institutions where they are repeating the same services. The conclusion would seem to be that Federal efforts should concentrate on preventing problems by providing special financial and technical help to schools and other social institutions in low income areas with serious social and economic problems. Such an approach might hopefully help to halt the vicious cycle of self-perpetuating poverty.

(22) Extra credit should be given for placing those with exceptional labor market handicaps. This would be a disincentive for creaming. The handicaps to be considered should be the following: educational level, minority status, age, physical handicaps, emotional problems, and language and cultural barriers. The social priorities of prime sponsors would be reflected in the weight given these handicaps. The selection of candidates would be more open and more objective.

☆ U.S. GOVERNMENT PRINTING OFFICE : 1971 O—259-089

Where to Get More Information

For more information on this and other programs of research and development funded by the Employment and Training Administration, contact the Employment and Training Administration, U.S. Department of Labor, Washington, D.C. 20213, or any of the Regional Administrators for Employment and Training whose addresses are listed below.

Location	States Served	
John F. Kennedy Bldg. Boston, Mass. 02203	Connecticut Maine Massachusetts	New Hampshire Rhode Island Vermont
1515 Broadway New York, N.Y. 10036	New Jersey New York Canal Zone	Puerto Rico Virgin Islands
P.O. Box 8796 Philadelphia, Pa. 19101	Delaware Maryland Pennsylvania	Virginia West Virginia District of Columbia
1371 Peachtree Street, NE. Atlanta, Ga. 30309	Alabama Florida Georgia Kentucky	Mississippi North Carolina South Carolina Tennessee
230 South Dearborn Street Chicago, Ill. 60604	Illinois Indiana Michigan	Minnesota Ohio Wisconsin
911 Walnut Street Kansas City, Mo. 64106	Iowa Kansas	Missouri Nebraska
Griffin Square Bldg. Dallas, Tex. 75202	Arkansas Louisiana New Mexico	Oklahoma Texas
1961 Stout Street Denver, Colo. 80294	Colorado Montana North Dakota	South Dakota Utah Wyoming
450 Golden Gate Avenue San Francisco, Calif. 94102	Arizona California Hawaii Nevada	American Samoa Guam Trust Territory
909 First Avenue Seattle, Wash. 98174	Alaska Idaho	Oregon Washington